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ABSTRACT

An evaluation was conducted of the effectiveness of California's Greater Avenues for Independence (GAIN) Program, a statewide initiative aimed at increasing the employment and self-sufficiency of recipients of Aid to Families with Dependent Children. Based on 2 years of follow-up data for 33,000 people who entered GAIN between early 1988 and mid-1990, the study explored the program's effects on employment, earnings, and welfare receipt and updated the 1-year results of an earlier study. The findings revealed a number of positive trends. For single parents, who represented about two-thirds of the welfare applicants and recipients in the study, the earnings gains and welfare savings that GAIN produced in the first year of follow-up grew stronger in the second year. For the heads of two-parent families, the second-year impacts on these two measures approximately equaled those for the first year. Although the results varied considerably across the six counties studied, five of the six produced modest-to-large earnings gains or welfare savings (or both) over the entire 2-year period. In addition, some counties showed substantial effects across a number of subgroups of welfare recipients, including long-term recipients. (Twenty-eight tables and nine figures are provided. Appendixes contain 19 supplemental tables and a supplemental figure. Contains 14 references.) (YLB)

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GAIN:

Two-Year Impacts in Six Counties

California's Greater Avenues for Independence Program

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GAIN:

TWO-YEAR IMPACTS IN SIX COUNTIES

Daniel Friedlander
James Riccio
Stephen Freedman

Manpower Demonstration
Research Corporation

May 1993

The Manpower Demonstration Research Corporation's evaluation of the California Greater Avenues for Independence (GAIN) Program is funded by a contract from California's State Department of Social Services. This report is the latest in a series of documents from that evaluation.

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The Authors

PREFACE

This report provides important information at a time of renewed debate in state capitals and Washington about ways to improve the welfare system. California's Greater Avenues for Independence (GAIN) Program is the nation's largest state welfare-to-work program. Its passage helped point the way to the landmark 1988 federal legislation, the Family Support Act, which included a vision of reciprocal obligations between government and heads of welfare families. GAIN, as the state's version of the Job Opportunities and Basic Skills Training (JOBS) Program authorized in that act, provides new opportunities – notably, comprehensive services emphasizing basic education in addition to activities designed to get people quickly into jobs. At the same time, it sets new expectations for participation in such a program and for commitment to getting a job.

In the 1980s, a number of studies of pre-JOBS welfare-to-work programs showed that low-cost programs emphasizing job search and unpaid work experience could increase employment, reduce welfare receipt, and be cost-effective. However, the impacts were limited and programs usually did not succeed in raising the employment of long-term recipients and other high-risk groups. Two studies of special demonstrations with features of GAIN and JOBS were promising. But the architects of both the GAIN and JOBS legislation faced many unknowns: Could more complex programs be implemented on a large scale? Could states change the basic character and message of AFDC so that, for most people, welfare receipt would entail real obligations? Would GAIN/JOBS do better than the low-cost programs? Would it positively affect long-term recipients, have more enduring impacts, get people better jobs, move families out of poverty, or succeed with people in two-parent households? What would be the relative success of different approaches?

This report on the second-year results of GAIN begins to provide some of the answers. It shows that:

- Large-scale, complex, multi-activity programs can be implemented in a variety of localities.
- Programs such as GAIN can change the basic character of AFDC, introducing real opportunities and real obligations.
- For single parents, GAIN resulted in notable and increasing impacts on employment and earnings and reductions in welfare costs. Importantly, in several counties this was also true for long-term recipients.

- Results varied widely across the six counties studied. While, overall, GAIN increased single parents' second-year earnings by 24 percent and cut welfare payments by 7 percent, impacts were particularly large in one county, where earnings went up 53 percent and welfare costs decreased 17 percent.

- For two-parent families, the results were also positive, but effects did not grow from the first to the second year.

These new findings constitute an interim report card. Further results from GAIN (on longer-term impacts, costs, and benefits), other state studies, and the national JOBS evaluation will substantially complete the story.

The findings to date, however, are sufficient to offer several lessons. First, programs such as GAIN can make an important contribution to the overall effectiveness of welfare reform. With resources and commitment, states that want to combine opportunities and real participation obligations can change the nature of welfare – and thereby both increase employment and reduce welfare costs. Second, while on average the results are encouraging, at their strongest they represent a major achievement and evidence of what can be accomplished within the JOBS system. Third, the results do not lead us to expect that GAIN or other JOBS programs will by themselves move large numbers of people into work, off welfare, and out of poverty. Meeting that goal may require a mix of strategies, including supporting children with income from both parents, increasing the reward for work, and directly providing work opportunities and mandates.

Finally, for GAIN or JOBS to promote change and transform AFDC from an entitlement into a reciprocal obligation requires upfront resources to make the activities, and thus the obligation, real. In the current hard-pressed fiscal climate, JOBS can provide only limited services to relatively small numbers of welfare recipients. It does not have the funds to achieve what many favor: an effective marriage of opportunities and real participation obligations that will change the basic character of welfare. The absence of widespread change is a key reason that the welfare reform debate has been joined again in 1993.

Judith M. Gueron
President

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ABBREVIATIONS

ABE	Adult Basic Education
AFDC	Aid to Families with Dependent Children
AFDC-FG	Aid to Families with Dependent Children–Family Group
AFDC-U	Aid to Families with Dependent Children–Unemployed Parent
CASAS	Comprehensive Adult Student Assessment System
CWEP	Community Work Experience Program (West Virginia)
EDP	Employment Development Plan
EPP/EWEP	Employment Preparation Program/Experimental Work Experience Program (San Diego)
ESL	English as a Second Language
ESP	Employment Services Program (Virginia)
GAIN	Greater Avenues for Independence Program
GED	General Educational Development certification (high school equivalency)
JOBS	Job Opportunities and Basic Skills Training Program
JTPA	Job Training Partnership Act (1982)
MDRC	Manpower Demonstration Research Corporation
OJT	On-the-job training
PREP	Pre-Employment Preparation
SDSS	State Department of Social Services (California)
SMSA	Standard Metropolitan Statistical Area
SWIM	Saturation Work Initiative Model (San Diego)
UI	Unemployment Insurance
WIN	Work Incentive Program

EXECUTIVE SUMMARY

This report presents new findings on the effectiveness of California's Greater Avenues for Independence (GAIN) Program, a statewide initiative aimed at increasing the employment and self-sufficiency of recipients of Aid to Families with Dependent Children (AFDC), the nation's major cash welfare program. Based on two years of follow-up data for 33,000 people who entered GAIN between early 1988 and mid-1990, the study examines the program's effects on employment, earnings, and welfare receipt, and is intended as an update of the one-year results presented in the previous report.[1] The results are of broad relevance to welfare reform because California has the country's biggest AFDC caseload and GAIN is the largest and one of the most ambitious programs operating under the federal Job Opportunities and Basic Skills Training (JOBS) Program.

The findings reveal a number of positive trends. For single parents, who represent about two-thirds of the welfare applicants and recipients in the study, the earnings gains and welfare savings that GAIN produced in the first year of follow-up grew stronger in the second year. For the heads of two-parent families, the second-year impacts on these two measures approximately equaled those for the first year. While the results varied considerably across the six counties studied, five of the six produced modest-to-large earnings gains or welfare savings (or both) over the entire two-year period. In addition, some counties showed substantial effects across a number of subgroups of welfare recipients, including long-term recipients.

In interpreting the results, it is important to bear in mind that two years of follow-up are not sufficient to capture all the potential effects of GAIN, notably those attributable to the program's extensive use of education and training activities. It is reasonable to expect (as some evidence in this report indicates) that GAIN will continue to have positive impacts beyond this period, although to a lesser extent among the heads of two-parent families.

The GAIN Program and Study

GAIN, which was established in 1985, is overseen by California's State Department of Social Services (SDSS) and administered by the 58 counties. Owing especially to its emphasis on basic

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[1]See James Riccio and Daniel Friedlander, *GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties* (New York: MDRC, 1992).

education for those determined to need it, it was an important precursor of the JOBS program created by the Family Support Act of 1988. Operating as California's JOBS program since July 1989, GAIN currently accounts for approximately 12 percent of federal spending on JOBS. This report is part of an ongoing evaluation being conducted for SDSS by the Manpower Demonstration Research Corporation (MDRC).

The Study Counties

The six counties selected to participate in the study of GAIN's impacts capture a wide variety of local conditions and account for more than one-third of the state's GAIN caseload and more than one-half of its AFDC caseload. Three counties are in southern California: *Los Angeles*, with about one-third of the state's caseload and a welfare population larger than all but a few states'; *San Diego*, with the state's second-largest AFDC caseload; and *Riverside*, a large county encompassing both urban and rural areas. Two counties are in northern California: *Alameda*, an urban county, which includes the City of Oakland, and, further north, the mid-sized county of *Butte*. *Tulare* is located in the largely agricultural, rural Central Valley.

It is important to stress that this report's descriptions of the counties' strategies for implementing GAIN are based on data collected no later than mid-1991, and prior to that in most cases. This is the relevant information for describing the "treatment" those in the research sample experienced. However, some of the information does not portray the counties' *current* modes of operating GAIN. All of the counties have continued to revise their strategies as they have become more experienced in operating this very complex welfare-to-work initiative, and in response to changes in funding and other circumstances.

The Research Sample

The impact results come from a study of 33,000 applicants for and recipients of AFDC whose participation in GAIN was mandatory, i.e., a condition for receiving their full welfare grant. This group included single heads of families (AFDC-FGs, who are usually mothers) with children age 6 or older, and all heads of two-parent families (AFDC-Us, typically fathers). The sample does *not* include mandatory GAIN registrants who were single parents with preschool-age children. (This group became mandatory for GAIN under JOBS regulations.)

During the period in which members of the research sample registered for GAIN, four of the six counties had sufficient resources to extend the program's requirements and services to all

registrants in their caseloads who were mandatory for GAIN under the pre-JOBS rules. The other counties – Alameda and Los Angeles – focused exclusively on long-term recipients, in conformity with GAIN's rules in cases where resources did not permit services to all those required to participate. In all six counties, individuals who volunteered for the program before being called in for an orientation to GAIN were included in the study only if they were subject to the participation mandate and actually attended an orientation.

Program Features

A key feature of GAIN, which distinguishes it from most other welfare-to-work programs studied in the 1980s, is the use of educational and basic skills levels to sort registrants into one of two treatment streams. Those who do not have a high school diploma (or its equivalent) or fail to achieve predetermined scores on both parts of a math and literacy test or are not proficient in English are deemed by GAIN to be "in need of basic education." These individuals can choose to attend a basic education class or a job search activity first, but if they choose job search and fail to obtain employment, they must then enter basic education. Registrants judged "*not* in need of basic education" – those who both pass the literacy test and possess a high school diploma (or its equivalent) – usually must participate in job search first. Registrants already enrolled in education and training programs when they enter GAIN can continue in them if the activities meet certain criteria (e.g., they must prepare registrants for occupations in demand in the local labor market, and registrants must be able to complete the training within two years after enrolling in GAIN). Participants in any of these three sequences who do not find employment after completing their initial activities undergo an employability assessment designed to help them choose their next activity, e.g., skills training, vocationally oriented post-secondary education, on-the-job training, or unpaid work experience. Any GAIN registrant, who, without "good cause," fails to participate in GAIN's orientation and services may incur a "sanction," i.e., a reduction of the welfare grant. (The grant level in California is one of the nation's highest.)

Did GAIN's Effects Increase Between the First and Second Years of Follow-Up?

To determine the effects of GAIN, mandatory registrants who attended an orientation were randomly assigned to either an experimental group (who remained subject to GAIN's participation mandate) or a control group (who were precluded from GAIN but could seek access to other services in the community). The two groups' employment rates, average earnings, and average AFDC

payments, and the percentage of each group that left the AFDC rolls, were compared over the course of the follow-up period. The *differences* between the two groups on these measures are the estimated "impacts" of GAIN.[2]

The average earnings for experimentals and controls were calculated for the full sample, including people who did not work (and whose earnings were counted as zero) as well as those who did work. Averaged across the six counties, with each county given equal weight, earnings for AFDC-FGs in the second year were $2,712 per experimental group member[3] and $2,193 per control group member. This yields an earnings gain, or impact, of $519 per experimental (or 24 percent of the average control group member's earnings), as shown in the "all counties" section of Table 1. This earnings impact is almost twice as large as the year 1 results ($266). Welfare savings were $347 per experimental in the second year (i.e., AFDC payments were 7 percent lower than the average payments of $5,017 for controls). This effect is 23 percent larger than the impact in the first year ($283).[4] As indicated by the asterisks for the "all counties" rows for years 1 and 2, these results are statistically significant, meaning that one can have greater confidence that they are due to the program rather than to statistical chance.

Among the AFDC-Us, as shown in Table 2, the earnings gains in year 2 averaged $370 per experimental (a 12 percent increase compared to the control group), while welfare savings were $469 (a 7 percent reduction in welfare payments). (Alameda is excluded from Table 2 because of small sample sizes.) These effects were roughly the same as the impacts in year 1, although the earnings impacts tended to decline over the course of the second year. Nonetheless, the overall effects remain noteworthy, in part because the very limited number of prior studies of the AFDC-U population did not show consistent earnings impacts.

Caution is warranted when reviewing the second-year findings because many experimentals participated in GAIN's education and training activities. In some counties, one-fifth or more of all

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[2]The study does not capture the potential effects of GAIN, if any, on registrants who did *not* show up for an orientation.

[3]Dividing the average earnings of the experimental group by the proportion of experimentals who were employed shows that those who actually worked (including part-time workers and those working only part of the year) earned an average of $6,696 in the second year.

[4]As was the case for average earnings, average welfare payments were estimated for the full sample, including people who received benefits as well as those who were not on the rolls at some time during the follow-up period. It should also be noted that some of the year 1 numbers in Table 1 and other tables in this report differ slightly from the numbers in the 1992 report on GAIN's first-year impacts. The changes resulted from a reestimation of the first-year numbers based on updated earnings and AFDC data.

TABLE 1

SUMMARY OF GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FGs (SINGLE PARENTS)

County	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda								
Year 1	1421	1212	209	17%	6916	7066	-150	-2%
Year 2	2132	1609	524 *	33%	5816	6076	-260	-4%
Total	3553	2821	733 *	26%	12732	13142	-411	-3%
Butte								
Year 1	2001	1729	272	16%	5132	5486	-353 *	-6%
Year 2	2996	2442	554	23%	3715	4048	-333	-8%
Total	4997	4171	826	20%	8848	9534	-686 *	-7%
Los Angeles								
Year 1	1304	1308	-4	-0%	6875	7203	-328 ***	-5%
Year 2	1694	1582	112	7%	5711	6112	-401 ***	-7%
Total	2998	2890	108	4%	12586	13315	-729 ***	-5%
Riverside								
Year 1	2470	1550	920 ***	59%	4968	5663	-695 ***	-12%
Year 2	3414	2234	1179 ***	53%	3461	4162	-701 ***	-17%
Total	5883	3784	2099 ***	55%	8429	9825	-1397 ***	-14%
San Diego								
Year 1	2462	2113	349 **	17%	5529	5832	-302 ***	-5%
Year 2	3503	2794	709 ***	25%	4199	4679	-480 ***	-10%
Total	5965	4906	1058 ***	22%	9728	10511	-783 ***	-7%
Tulare								
Year 1	1792	1941	-149	-8%	6363	6231	132	2%
Year 2	2532	2498	34	1%	5120	5027	94	2%
Total	4324	4439	-115	-3%	11484	11258	226	2%
All counties (a)								
Year 1	1908	1642	266 ***	16%	5964	6247	-283 ***	-5%
Year 2	2712	2193	519 ***	24%	4670	5017	-347 ***	-7%
Total	4620	3835	785 ***	21%	10634	11264	-630 ***	-6%

SOURCE: Table 2.1.

NOTES: Dollar averages for each year include zero values for sample members who were not employed or did not receive welfare during that year.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent (the highest level);** = 5 percent; * = 10 percent.

(a) This estimate is the average of the impacts for each county, which were equally weighted.

TABLE 2

SUMMARY OF GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-Us (HEADS OF TWO-PARENT FAMILIES)

County	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	--	--	--	--	--	--	--	--
Year 2	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--
Butte								
Year 1	3026	2393	633 *	26%	6523	6749	-226	-3%
Year 2	4018	2773	1244 ***	45%	5246	5775	-529	-9%
Total	7044	5166	1877 **	36%	11769	12524	-755	-6%
Los Angeles								
Year 1	1480	1221	259 **	21%	9442	9871	-429 ***	-4%
Year 2	1785	1465	320 *	22%	8333	8826	-493 ***	-6%
Total	3266	2687	579 **	22%	17775	18697	-922 ***	-5%
Riverside								
Year 1	3691	2930	761 ***	26%	4845	5810	-965 ***	-17%
Year 2	4039	3626	413	11%	3895	4643	-749 ***	-16%
Total	7730	6556	1174 **	18%	8739	10453	-1714 ***	-16%
San Diego								
Year 1	3331	3089	242	8%	6790	7301	-510 ***	-7%
Year 2	4128	3978	150	4%	5565	6197	-632 ***	-10%
Total	7459	7067	392	6%	12356	13498	-1142 ***	-8%
Tulare								
Year 1	2987	2961	26	1%	7545	7523	23	0%
Year 2	3723	3998	-275	-7%	6316	6261	54	1%
Total	6709	6959	-249	-4%	13861	13784	77	1%
All counties (b)								
Year 1	2903	2519	384 ***	15%	7029	7451	-422 ***	-6%
Year 2	3539	3168	370 **	12%	5871	6340	-469 ***	-7%
Total	6442	5687	755 ***	13%	12900	13791	-891 ***	-7%

SOURCE: Table 3.1.

NOTES: Dollar averages for each year include zero values for sample members who were not employed or did not receive welfare during that year.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent (the highest level); ** = 5 percent; * = 10 percent.

(a) Because of Alameda's small sample size for AFDC-Us, the estimates of its earnings impact ($200, or an 18 percent increase over the control group average) and AFDC payments impact ($180, or a 2 percent increase) are considered much less reliable than those for the other counties; therefore, the Alameda impacts are not included in this table.

(b) This estimate is the average of the impacts for each county (except Alameda), which were equally weighted.

AFDC-FG experimentals were continuing or just starting education or training in the second year. If these activities – which aim to increase the "human capital" of welfare recipients – have a payoff, GAIN's effects might grow in future years. Thus, the two-year period is still a relatively short time frame for assessing the full effectiveness of GAIN.

What Were GAIN's Effects on Employment and Welfare Case Closures?

Table 3 shows GAIN's effects on the proportion of people employed and the proportion off welfare entirely at the end of the second year (i.e., in the last quarter of the two-year follow-up period). Overall, about 29 percent of AFDC-FG experimentals (top panel) were working at that time, almost 6 percentage points more than the control group (a statistically significant difference). Employment rates for both experimentals and controls during the last quarter are lower than for the entire two-year period because some people who had worked previously did not work in that quarter (although they may have worked again later). About 51 percent of AFDC-FG experimentals were employed at some time during the two years, compared to 45 percent of the controls (not shown in Table 3).

The proportion of AFDC-FG experimentals receiving any AFDC payments had dropped to 61 percent (for all six counties combined) by the end of the two-year period. However, only a portion of this change can be attributed to GAIN, since the control group experienced a similar decline. Nonetheless, three counties produced a statistically significant reduction in the proportion of experimentals receiving welfare by the end of year 2, ranging from 2.4 to 5.3 percentage points. For the AFDC-Us, GAIN's combined effects on employment rates and welfare case closures (for the five counties other than Alameda) were nearly the same as for the AFDC-FGs.

What Were the Results for the Individual Counties?

GAIN's effects varied by county. One county, Riverside, which had unusually large first-year earnings gains and welfare savings, again produced large second-year effects on AFDC-FGs. (See Table 1.) Over the entire two-year period, Riverside increased the experimental group's earnings by an average of $2,099, a 55 percent gain over the control group average. It reduced welfare payments by $1,397, a 14 percent reduction compared to the control group. These impacts were the largest in any of the six counties, and are larger than those found in previous large-scale experimental studies of state welfare-to-work programs. They are notable as much for their consistency as their magnitude: Riverside had statistically significant earnings gains for all key subgroups of the single-

TABLE 3

SUMMARY OF GAIN's IMPACTS ON RATES OF EMPLOYMENT AND WELFARE CASE CLOSURES AT THE END OF YEAR 2 FOR AFDC-FGs (SINGLE PARENTS) AND AFDC-Us (HEADS OF TWO-PARENT FAMILIES)

	Employed at the End of Year 2 (%)			Received Any AFDC Payments at the End of Year 2 (%)		
County	Experimentals	Controls	Difference	Experimentals	Controls	Difference
AFDC-FGs						
Alameda	24.5	18.1	6.4 ***	76.6	77.1	-0.5
Butte	31.9	27.5	4.3	49.4	47.7	1.7
Los Angeles	19.0	15.7	3.3 ***	74.0	76.3	-2.4 *
Riverside	35.2	24.0	11.2 ***	46.7	52.0	-5.3 ***
San Diego	32.5	26.4	6.0 ***	56.0	61.1	-5.1 ***
Tulare	28.4	25.3	3.1	65.4	62.2	3.1
All counties (a)	28.6	22.9	5.7 ***	61.3	62.7	-1.4
AFDC-Us						
Alameda (b)	--	--	--	--	--	--
Butte	34.9	29.3	5.6 *	52.8	57.6	-4.7
Los Angeles	30.0	22.2	7.9 ***	85.5	85.3	0.1
Riverside	33.2	29.4	3.7 *	46.9	49.5	-2.6
San Diego	35.7	33.0	2.7	61.8	64.0	-2.2
Tulare	32.2	30.7	1.5	66.4	65.3	1.1
All counties (c)	33.2	28.9	4.3 ***	62.7	64.3	-1.7

SOURCES: Tables 2.1 and 3.1.

NOTES: The data in this table refer to the status of registrants during the last quarter of year 2. A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent (the highest level); ** = 5 percent; * = 10 percent.

(a) This estimate is the average of the impacts for each county, which were equally weighted.

(b) The sample size for AFDC-Us in Alameda was too small to produce reliable results.

(c) This estimate is the average of the impacts for each county (except Alameda), which were equally weighted.

parent research sample, and in all cases these gains were accompanied by welfare savings. Such a consistent pattern was not found in any other county.

Among AFDC-Us, as Table 2 shows, the earnings of Riverside's control group rose in year 2 to a level closer to the experimental group's earnings, and the second-year impact was smaller and not statistically significant. Nonetheless, the overall two-year earnings impact of $1,174 (an 18 percent increase over the control group average) was comparatively large and was statistically significant. Riverside's welfare savings for AFDC-Us, while somewhat lower than in the first year, remained large and statistically significant in the second year, contributing to a two-year total savings of $1,714 (a reduction of 16 percent compared to the control group), which is larger than in the other counties.

Tulare County fell at the other extreme. Continuing the pattern observed in the first year, it had no statistically significant earnings gains or welfare savings overall or for subgroups, with the exception of welfare savings for the AFDC-U applicants (not shown in the tables).

The four remaining counties – Alameda, Butte, Los Angeles, and San Diego – comprise a "middle group," with generally positive impacts on either earnings or welfare, but not always on both. Among AFDC-FGs, three of the four (Alameda, Butte, and San Diego) produced modest impacts on earnings for the entire two-year follow-up period, averaging $733 to $1,058 per experimental, or an increase of 20 percent to 26 percent over the control group average. Welfare payments were reduced in all four counties by $411 to $783 over the two years, or a 3 percent to 7 percent savings compared to the control group. (See Table 1.) Many of the earnings gains and welfare savings were statistically significant, and in some cases the improvement between the first and second years was substantial.

Among AFDC-Us, two of the counties in this group – Los Angeles and Butte – produced statistically significant earnings gains of $579 and $1,877, respectively, over the two-year period, representing increases of 22 percent and 36 percent compared to the control group. Butte's earnings impact is particularly notable: It was the only AFDC-U earnings impact to grow substantially between the first and second years and, over the two years, was the largest in any county. San Diego produced small earnings gains but relatively large welfare savings. (See Table 2. Again, owing to small sample sizes, results for AFDC-Us in Alameda are not presented.) Los Angeles was the only county other than Riverside to produce statistically significant earnings gains *and* welfare savings for AFDC-Us.

Not surprisingly, given California's state-supervised but county-operated welfare system, the counties varied in their implementation approaches. For example, they made different choices

concerning the kinds of staff they hired to serve as case managers, their registrant-to-case manager ratios, how much they promoted quick entry into jobs, how much they relied on GAIN's formal mechanisms (ending in financial sanctions) to enforce the legislation's participation mandate, and how much personalized attention they gave to registrants. In part, these and other choices reflected alternative views of how best to operate this complex program, and meant that welfare recipients' experiences in GAIN varied in ways that transcended observed county differences in participation patterns.

The counties also varied strikingly in the demographic characteristics of their GAIN registrants, reflecting different local populations and, in Alameda and Los Angeles, the effects of GAIN's targeting provisions, which gave higher priority to longer-term welfare recipients. In addition, different local economic conditions prevailed during the period covered by this report.

The evidence of impacts across five of the six counties thus shows that GAIN can produce positive effects within a two-year period, even when it is operated in very different ways and under different circumstances. This is an encouraging finding because local conditions will always vary across counties and because some variation in key implementation practices is impossible to avoid. At the same time, the lack of positive impacts in Tulare, which are further discussed below, suggests that GAIN may not necessarily be effective under all circumstances, at least in the short term.

Did GAIN's Two-Year Impacts Vary for Different Subgroups?

A central question for GAIN is whether particular subgroups of welfare recipients are or are not affected by the services the program offers and its participation mandate. Three important subgroups are those determined "not in need of basic education," those deemed "in need of basic education," and long-term welfare recipients, i.e., those who have received welfare for more than two years.

As summarized in Table 4, GAIN produced second-year earnings gains and welfare savings for each of these three subgroups among AFDC-FGs, but not in every county and not always at statistically significant levels. (Impact estimates are generally less accurate and less likely to be statistically significant for subgroups, compared to the full research sample, because of smaller sample sizes.) Earnings impacts for the "not in need of basic education" subgroup continued in the second year to be generally larger in four of the six counties than were the effects on the "in need of basic education" subgroup or the long-term welfare recipients. This finding is not surprising because results

TABLE 4

SUMMARY OF GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR KEY AFDC-FG (SINGLE PARENTS) SUBGROUPS

	Average Total Earnings				Average Total AFDC Payments			
	Year 1	Year 2	Total (years 1 and 2)		Year 1	Year 2	Total (years 1 and 2)	
Subgroup and County	Impact ($)	Impact ($)	Impact ($)	Percentage Change	Impact ($)	Impact ($)	Impact ($)	Percentage Change
AFDC-FGs determined not to need basic education								
Alameda	672 *	1033 *	1705 *	45%	-1	-38	-38	-0%
Butte	154	371	525	9%	400	357	757	9%
Los Angeles	201	539	740	15%	-692 ***	-795 ***	-1487 ***	-12%
Riverside	1200 ***	1462 ***	2662 ***	50%	-682 ***	-690 ***	-1372 ***	-15%
San Diego	632 **	1185 ***	1817 ***	27%	-317 **	-556 ***	-873 ***	-9%
Tulare	-614 *	-158	-773	-11%	331	213	544	6%
AFDC-FGs determined to need basic education								
Alameda	-21	239	218	9%	-202	-350 *	-552 *	-4%
Butte	507 *	972 **	1479 **	61%	-1204 ***	-1128 ***	-2332 ***	-21%
Los Angeles	-35	30	-5	-0%	-253 ***	-314 ***	-567 ***	-4%
Riverside	738 ***	1022 ***	1760 ***	65%	-677 ***	-697 ***	-1374 ***	-13%
San Diego	74	269	343	9%	-281 **	-426 ***	-707 ***	-6%
Tulare	123	176	300	10%	39	52	91	1%
AFDC-FGs who are long-term welfare recipients								
Alameda	209	524 *	733 *	26%	-150	-260	-411	-3%
Butte	518 *	945 *	1464 **	86%	-388	-424	-812	-7%
Los Angeles	-4	112	108	4%	-328 ***	-401 ***	-729 ***	-5%
Riverside	1072 ***	1399 ***	2471 ***	94%	-732 ***	-818 ***	-1550 ***	-14%
San Diego	207	332	539	14%	-358 ***	-692 ***	-1050 ***	-8%
Tulare	-117	224	106	3%	85	-46	39	0%

SOURCES: Tables 2.3, 2.4, and 2.7.

NOTES: A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent (the highest level); ** = 5 percent; * = 10 percent. The "percentage change" columns reflect the two-year impacts divided by the two-year control group means, which are not shown on this table.

from education programs (which these latter two groups used more heavily) can take longer to appear. Interestingly, however, welfare savings differed less among these three subgroups.

Results for Single Parents *Not* in Need of Basic Education

As previously noted, GAIN registrants who were determined *not* in need of basic education were usually expected to participate in job search as their first activity unless they were already in an approved education or training activity or excused from participation for "good cause." Across the six counties, 25 percent to 50 percent of the AFDC-FG experimentals in this subgroup participated in job search activities. A somewhat smaller but still sizable proportion (21 percent to 38 percent) took part in some form of education and training. (All participation information in this study pertains to the first 11 months following random assignment.)

GAIN's positive effects on earnings were widespread for this subgroup: Five of the six counties (Tulare was the exception) produced positive and growing impacts between the first and second follow-up years, as shown in the first panel of Table 4. Over the entire two-year period, these effects ranged from $525 to $2,662 (not all of them were statistically significant). Three counties produced modest-to-large welfare savings for this subgroup, ranging from $873 to $1,487 for the two-year period. In contrast, in the other three counties, welfare payments for experimentals were nearly the same as or higher than payments for the controls (although by amounts that were not statistically significant).

Even though job search was the predominant activity among AFDC-FG experimentals determined *not* to need basic education, the fact that many of these experimentals took part in "human capital development" activities, such as post-secondary education or vocational training, suggests that GAIN's two-year impacts for this group may not simply reflect a "job search" effect; other activities and other aspects of the GAIN mandate and treatment may have contributed to these impacts. However, the use of these activities, in combination with the time trends in impacts, also implies that, even for this subgroup, the full effects of GAIN may not have been captured within the two-year period on which this report is based.

Results for Single Parents *in* Need of Basic Education

People determined *in* need of basic education usually took part in either job search or basic education as their initial GAIN activity. Overall, participation in job search (although not always as a first activity) ranged from 6 percent to 29 percent of the AFDC-FG experimentals, depending on the county; participation in basic education was somewhat higher or much higher, varying from 27

percent to 56 percent. In addition, some members of this subgroup took part in vocational education and training (including activities begun before they registered for GAIN).

Most of the counties were successful in achieving welfare savings for this subgroup. As shown in the second panel of Table 4, statistically significant welfare savings over the two-year period were found in five of the six counties. However, only two counties – Butte and Riverside – produced statistically significant earnings increases ($1,479 and $1,760, respectively) along with those savings.

The evidence available to date provides no clear explanation as to why these two counties, which adopted very different approaches to implementing GAIN, had the largest earnings effects on this subgroup. Yet some hypotheses can be ruled out or considered unlikely. For example, these effects cannot simply be attributed to unusually high rates of participation in basic education, since this activity was more widely used in all of the *other* counties. Differences in the "quality" of the basic education classes could be another factor, although on one (albeit limited) measure, the GAIN case managers in Butte and Riverside rated the quality of this component lower than did the staff in the other four counties. (Perceived quality was especially high in San Diego and Tulare.) The use of job search, an activity that could lead to rapid employment even for this subgroup, is also not likely to explain the similarity of impacts in Butte and Riverside, since job search participation rates were dramatically different in the two counties (6 percent compared to 29 percent, respectively). Perhaps the fact, discussed below, that these two counties experienced more economic growth than the others (according to one measure) contributed to their stronger impacts. MDRC's future reports will continue to explore a number of alternative hypotheses for the Butte and Riverside findings.

Of course, because basic education is a longer-term investment, the full extent of its contribution to impacts, if any, might not be seen until future years. Hence, the counties' impacts for the "in-need" subgroup may grow over time. Indeed, some preliminary evidence, based on a small group of people who became part of the research sample at an early stage of the study, suggests that earnings impacts may remain strong in Riverside for this subgroup in the third year of follow-up, and may actually increase not only in Butte, but also in Alameda, San Diego, and Tulare as well.

Results for Single-Parent Long-Term Welfare Recipients

Individuals who have received welfare for a long period of time, generally more than two years, account for the bulk of all AFDC costs over time. Studies of welfare-to-work programs have not consistently found earnings impacts for this group, although welfare savings have been found. The impact of GAIN on long-term recipients (a group that includes people determined *not* to need basic education as well as those determined *to* need it) has added importance because two of the counties

in this study (Alameda and Los Angeles) served long-term recipients exclusively, for reasons noted earlier.

As shown in the third panel of Table 4, positive trends in earnings impacts between the first and second years were found in all six counties for long-term AFDC-FG recipients. The total two-year impact was moderate to large (and statistically significant) in three counties, ranging from $733 to $2,471. Two-year welfare savings of $411 to $1,550 were found across five counties (and were statistically significant in three of them). However, Riverside was the only county to produce large and statistically significant earnings gains *and* welfare savings for longer-term AFDC-FG recipients.

Results for AFDC-U Subgroups

GAIN's two-year impacts on the heads of two-parent families (AFDC-Us), like its effects on single parents, varied by subgroup. Overall, the counties tended to have more positive impacts for AFDC-Us who were determined *not* to need basic education than for the "in-need" subgroup. However, in contrast to the AFDC-FG results, the magnitude of the impacts within each of these subgroups did not increase as consistently across the counties between the first and second years. As shown in the first panel of Table 5, three of the five counties (excluding Alameda because of small sample sizes) had statistically significant two-year earnings gains for those judged *not* to need basic education, and four of the five produced statistically significant welfare savings. However, only one county – Butte – had earnings impacts that were large *and growing* between the first and second years.

The results for the AFDC-Us determined *to* need basic education can be seen in the second panel of Table 5. Two-year earnings gains or welfare reductions were found in four of the five counties, but only one county – Los Angeles – produced statistically significant (though not large) effects on both of these variables.

Finally, the results for the AFDC-U long-term recipients provide additional evidence (along with the AFDC-FG findings for this subgroup) of GAIN's ability to have some effect on people with a comparatively long welfare history. As shown in the third panel of Table 5, modest or large earnings gains and welfare savings were found for this subgroup in four of the five counties, although not all of these effects were statistically significant.

TABLE 5

SUMMARY OF GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR KEY AFDC-U (HEADS OF TWO-PARENT FAMILIES) SUBGROUPS

	Average Total Earnings				Average Total AFDC Payments			
	Year 1	Year 2	Total (years 1 and 2)		Year 1	Year 2	Total (years 1 and 2)	
Subgroup and County	Impact ($)	Impact ($)	Impact ($)	Percentage Change	Impact ($)	Impact ($)	Impact ($)	Percentage Change
AFDC-Us determined not to need basic education								
Alameda (a)	--	--	--	--	--	--	--	--
Butte	1248 *	2317 **	3565 **	60%	-528	-1207 **	-1735 **	-14%
Los Angeles	183	-184	-1	0%	-1217 ***	-962	-2179 **	-12%
Riverside	1575 ***	1044 *	2619 **	35%	-1161 ***	-856 **	-2017 ***	-20%
San Diego	1032 **	562	1593 *	19%	-758 ***	-331	-1089 **	-9%
Tulare	253	-913	-660	-6%	-115	456	341	3%
AFDC-Us determined to need basic education								
Alameda (a)	--	--	--	--	--	--	--	--
Butte	323	642	965	22%	-26	-16	-43	-0%
Los Angeles	227 *	316 *	543 **	21%	-362 ***	-456 ***	-817 ***	-4%
Riverside	329	121	450	7%	-897 ***	-720 ***	-1617 ***	-15%
San Diego	-184	-40	-225	-4%	-353 **	-799 ***	-1152 ***	-8%
Tulare	-66	-80	-146	-3%	56	-105	-49	-0%
AFDC-Us who are long-term welfare recipients								
Alameda (a)	--	--	--	--	--	--	--	--
Butte	1047	484	1531	61%	-648	-1014	-1662	-9%
Los Angeles	259 **	320 *	579 **	22%	-429 ***	-493 ***	-922 ***	-5%
Riverside	956 **	903 *	1859 **	63%	-634 *	-651	-1285 *	-10%
San Diego	165	360	525	12%	-338	-671 **	-1010 **	-6%
Tulare	-202	-279	-481	-12%	-167	34	-133	-1%

SOURCES: Tables 3.3, 3.4, and 3.7.

NOTES: A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent (the highest level); ** = 5 percent; * = 10 percent.

(a) The sample sizes for AFDC-Us in Alameda were too small to produce reliable results.

What Accounts for the Riverside Results?

While evidence of GAIN's effectiveness was found in five of the six study counties, Riverside continues to stand out by virtue of the overall magnitude and, especially, the consistency of its impacts, as it did in the previous (1992) report, which analyzed GAIN's first-year impacts. Unlike any other county, Riverside produced *both* earnings gains and welfare savings for *all* of the AFDC-FG subgroups studied. And while its earnings impact on AFDC-Us declined in the second year, its two-year earnings and welfare effects for that group were still large and exceeded those in all of the other counties with the exception of Butte's impact on earnings.[5] Although this study cannot definitively explain the reasons for Riverside's more impressive results, a number of factors are worth considering.

It appears unlikely that Riverside's more impressive results can be explained simply by any distinctiveness in the background characteristics of its GAIN registrants. Indeed, when cross-county differences in a number of these characteristics are "held constant" statistically, the ranking of the counties – with Riverside at the top, Tulare at the bottom, and the others forming a middle tier – is unchanged. This suggests that the explanation is to be found in other factors.

One of these factors might be Riverside's unusually strong emphasis on getting people into jobs quickly. (Table 6 summarizes selected county differences in registrants' characteristics and in program implementation.) This approach does not mean that Riverside was "just a job search program." Quite the contrary: Although it had a relatively high job search participation rate, it also had, like other counties, a substantial amount of participation in education and training activities. About 36 percent of all AFDC-FG experimentals in Riverside participated in some type of education or training (i.e., basic education, post-secondary education, or occupational training), which represents a majority – 60 percent – of those Riverside experimentals who entered *any* GAIN activity.

More distinctive was Riverside's attempt to communicate a strong "message" to all registrants, at all stages of the program, that employment was central, that it should be sought expeditiously, and that opportunities to obtain relatively low-paying jobs should not routinely be turned down. The county's management underscored this message by establishing job placement standards as one of several criteria for assessing staff performance. In addition, the county instituted a strong job development component to assist recipients in gaining access to job opportunities. Perhaps

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[5]During the study period, Riverside obtained a federal waiver to eliminate the rule under which AFDC-U welfare cases were closed when recipients worked more than 100 hours per month. Riverside also obtained permission to register for GAIN both parents on the AFDC-U case. The implications of these changes for the trends in Riverside's impacts on AFDC-Us is uncertain at this time.

TABLE 6

IMPLEMENTATION PRACTICES AND CONDITIONS AT THE TIME THE SIX COUNTIES WERE STUDIED FOR THE GAIN IMPACT ANALYSIS

Alameda, which includes the city of Oakland, has the largest welfare caseload of single parents (AFDC-FGs), and the second-largest caseload of heads of two-parent families (AFDC-Us), among counties in the San Francisco Bay area. It was one of two evaluation counties that had a large inner-city welfare population and that enrolled only long-term recipients, a practice that was consistent with the statutory requirement for counties that did not have enough resources to serve all GAIN-eligibles. More than 80 percent of both its AFDC-FG and AFDC-U GAIN registrants were minorities; a large majority (69 percent) of its single-parent registrants were black, and a substantial proportion (40 percent) of its heads of two-parent families were Indochinese. Alameda had the second-highest proportion of registrants who were determined "in need of basic education" (65 percent for AFDC-FGs and 81 percent for AFDC-Us). Although Alameda largely avoided resorting to GAIN's formal enforcement and sanctioning procedures to achieve compliance with the program's participation mandate, it achieved the highest overall rate of participation for AFDC-FGs (63 percent). To some degree, this could have been due to the relatively high degree of personalized attention staff offered to registrants. Alameda also had the highest rate of participation in basic education classes among AFDC-FGs (39 percent) and the second-highest for AFDC-Us (42 percent). (These rates are based on all experimentals, not just the in-need of basic education subgroup.) This reflected in part its emphasis on education and training services and the low priority it gave to immediate job placement; its job search activities, in which 26 percent of its AFDC-FGs participated, were not necessarily intended to result in immediate employment, but rather to provide information to assist registrants in choosing an education or training program at assessment. The caseload size per case manager in Alameda was relatively low, about 75:1.

Butte, a mid-sized county in northern California, had by far the smallest welfare caseload of the counties studied and the largest proportion of non-minorities (more than 85 percent of AFDC-FGs and about three-quarters of AFDC-Us). Although it enrolled a broad cross section of its mandatory GAIN caseload, Butte appeared to have the least disadvantaged AFDC-FG sample in the study, with the lowest rate of those determined "in need of basic education" (49 percent), the lowest proportion of long-term recipients (28 percent), and the second-highest proportion of registrants with a recent work history (57 percent). Butte used an unusual GAIN intake procedure in order to keep caseload size per case manager relatively low (63:1); registrants were brought into GAIN but were placed on waiting lists for up to several months until a case manager had an opening. This contributed to Butte's having the lowest participation rate for single parents (43 percent), but permitted staff to provide a high degree of personalized attention once registrants were assigned to case managers. Consistent with the characteristics of its AFDC-FG population and its overall participation rate, Butte had the lowest rate of participation in basic education classes among AFDC-FGs (15 percent), compared to 18 percent in job search activities. It placed a relatively low emphasis on formal enforcement.

(continued)

TABLE 6 (continued)

Los Angeles, with about one-third of the state's caseload and a welfare population larger than all but a few states', was the other county that had a large inner-city welfare population and that enrolled only long-term recipients. As a result, Los Angeles had the highest relative proportion of recipients in the research sample who were determined "in need of basic education" (81 percent for AFDC-FGs and 92 percent for AFDC-Us). Los Angeles' registrants also had the smallest proportion of AFDC-FGs with a recent work history (just 17 percent) and the second-smallest proportion of AFDC-Us who had recently worked (32 percent), the highest average age (almost 39 years for AFDC-FGs and 42 for AFDC-Us), and the highest proportion of minorities (nearly 90 percent for both AFDC-FGs and AFDC-Us). Nearly 60 percent of its AFDC-U population was Indochinese. Los Angeles' program started later and was somewhat less fully developed than other counties' programs during the study period. The overall rate of participation in GAIN was 51 percent for AFDC-FGs, with 37 percent of these registrants participating in basic education classes, compared to 12 percent in job search activities. It made substantial use of GAIN's formal enforcement procedures, with about one-third of the AFDC-FGs (but a much lower proportion of the AFDC-Us) having been placed in conciliation, sanctioned, or slated for sanctioning. Actual sanctions were imposed for 5.4 percent of the AFDC-FGs and 2.1 percent of the AFDC-Us within the first 11 months after orientation. The county established tight restrictions on case management duties in order to minimize discretionary decision-making by case managers. Alone among the counties in California, Los Angeles also contracted with a private-sector firm to conduct case management. Compared to other counties, Los Angeles placed lower emphasis on providing personalized attention to registrants; this may have been due in part to its GAIN caseload per case manager, which, at 128:1, was the highest among the six counties.

Riverside, a large county in southern California with both urban and rural areas, had the fastest-growing economy in the six study counties (as measured by the increase in the number of employed residents), especially early in the study period. It enrolled a broad cross section of its mandatory welfare population and operated the most employment-focused program, even for participants in basic education classes. This approach was continuously reinforced by top- and mid-level management and communicated to supervisory and line staff partly through the assignment of job placement standards to district offices, units within offices, and individual case managers. A prominent role was also given to job development. Riverside balanced its emphasis on job placement with a parallel focus on participation. A substantial proportion of its registrants (60 percent for AFDC-FGs, two-thirds for AFDC-Us) were determined "in need of basic education," and just over one-fifth of Riverside's AFDC-FG GAIN registrants participated in basic education classes, compared to more than one-third who were enrolled in job search activities. Nearly half of Riverside's AFDC-FG registrants, and 57 percent of its AFDC-U registrants, were minorities, largely Hispanic. Riverside's overall AFDC-FG participation rate was 60 percent. It relied heavily on formal enforcement procedures, with about one-third of the AFDC-FGs and 42 percent of the AFDC-Us having been placed in conciliation, sanctioned, or slated for sanctions. However, only 6.0 percent of the AFDC-FGs and 6.8 percent of AFDC-Us were actually sanctioned within the first 11 months after orientation. Riverside had the second-lowest ranking of the counties in the degree of personalized attention staff provided registrants. Owing to a special study of the impact of different caseload sizes, the average caseloads were about 53:1 (for one group of case managers) and 97:1 (for the other group).

(continued)

San Diego, with the state's second-largest AFDC-FG caseload and the fourth-largest AFDC-U caseload, enrolled a broad cross section of its caseload in GAIN. About 60 percent of its registrants were minorities, and well over half were determined "in need of basic education." The county's GAIN sample had the highest proportion of registrants who had recently worked – 59 percent among AFDC-FGs – and the second-highest among AFDC-Us (nearly 80 percent). For AFDC-FGs, San Diego recorded a 55 percent participation rate and the highest enrollment rate for self-initiated participants (15 percent). A key and highly regarded feature of San Diego's program was its network of computerized GAIN Learning Centers for basic education classes, although early on there were too few slots given the demand. This led to a lower rate of participation in basic education classes (19 percent for the full sample of AFDC-FGs) and a higher rate in job search (30 percent) than the county intended. San Diego ranked in the middle of the counties in terms of the personalized attention staff gave to registrants and in its reliance on formal enforcement, and it had the second-highest average caseload per case manager (103:1).

Tulare was the only county of the six that had to operate GAIN in the context of a rural and highly agricultural, seasonal labor market and had an unemployment rate that averaged more than 14 percent over the course of the study period. As a result of a winter freeze, the county was declared a state disaster area during part of the follow-up period. The high proportion of Tulare's GAIN registrants who were determined "in need of basic education" (65 percent of AFDC-FGs and nearly three-fourths of AFDC-Us) may have contributed – together with the poor state of its local economy – to a relatively high use of basic education, in which 36 percent of its AFDC-FG registrants and more than two-fifths of its AFDC-U registrants participated. One-fifth of AFDC-FGs and 16 percent of AFDC-Us participated in job search. About 40 percent of its registrants were Hispanic, the highest proportion of any county. Tulare achieved the second-highest participation rate for both AFDC-FGs (61 percent) and AFDC-Us (60 percent), but placed a low emphasis on formal enforcement to achieve compliance. Tulare's emphasis on giving personalized attention to registrants was the second highest of the six counties, despite a relatively high average caseload per case manager – a ratio of 100:1.

Riverside's pervasive employment message, backed up by strong job development, affected how much effort registrants – across a number of subgroups – made to look for a job, and how selective they were with regard to the kinds of jobs they would accept.

Along many other dimensions of a program that (theoretically) might be related to its effectiveness, Riverside was not unique. For example, while its overall participation rates were high, they were no higher than those in Alameda and Tulare. And while Riverside ranked high in its reliance on the formal penalty mechanisms to enforce GAIN's participation mandate, so did Los Angeles. Furthermore, Riverside had neither the most (nor the least) favorable rankings in terms of the availability or quality of its job search, education, and training services.[6] The Riverside results also suggest that the very high levels of case managers' personalized attention to program registrants that were found in several counties may not be a prerequisite for producing large impacts, at least in the relatively short run. Riverside ranked lower on this dimension than most of the other counties, according to the case manager survey. Nor did its case managers have the highest or most favorable rankings (compared to the other counties) in terms of their education levels, degree of job satisfaction and morale, views of welfare recipients, or registrant-to-case manager ratios.

What most distinguished Riverside from the other counties – and, therefore, what might have contributed to Riverside's more favorable results – was its particular *combination* of practices and conditions. Its pervasive employment message and job development efforts, its more equal use of job search and education and training activities, its strong commitment to (and adequate resources for) securing the participation of all mandatory registrants, and its greater reliance on GAIN's formal enforcement mechanisms to reinforce the seriousness with which it viewed the participation obligation (and which, in general, may be associated with greater welfare savings across the six counties) made up a constellation of practices not found in any other county.

Riverside's approach may have enjoyed an "added boost" from its growing economy; at the very least, this hypothesis cannot be ruled out. During the period of this study, Riverside's economy grew at a faster rate than any of the other counties', especially early on, with a 3 percent average annual increase in the number of employed persons in the county. The number of jobs reported by employers also grew substantially. (However, Riverside's unemployment rate was not the lowest, averaging 8.6 percent over the data collection period for this report.) Yet the fact that Riverside's earnings impacts for the heads of two-parent families largely diminished over the course of the second

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[6]These rankings are based on a survey of GAIN case managers in the six counties, which elicited their perceptions of various aspects of the program in the first two years after the counties started operating GAIN.

year of follow-up (to some extent because controls began to "catch up" to the experimentals) shows that a growing economy is no guarantee of growing earnings impacts. Also, Riverside was not alone in experiencing economic growth during the study period; Butte also showed substantial growth (based, again, on the number of employed persons living there). Yet Butte's impacts were not consistently as large as Riverside's. Furthermore, for AFDC-FG registrants determined *not* to need basic education, the substantial earnings impacts not only in Riverside but also in Alameda and San Diego, where economic conditions appear to have been less favorable, lends additional weight to the conclusion that the local economy is by no means the sole determinant of a program's effectiveness.

What Accounts for the Tulare Results?

If Riverside is impressive because of its relatively large and consistent earnings gains and welfare savings, especially among AFDC-FGs, Tulare is noteworthy for its consistent absence of statistically significant effects (although some of its impact trends between the two years were in a positive direction). The reasons for this are not clear. Like Alameda and Butte, Tulare placed a relatively high emphasis on personalized attention and a relatively low emphasis on formal enforcement, and like San Diego it placed a moderate emphasis on rapid employment. Moreover, its rates of participation in job search and in education and training activities were comparable to the rates in several other counties, and it had one of the highest rates of participation in GAIN activities overall.

It is possible that Tulare's results are the product of the distinctive local conditions under which it had to operate its GAIN program. Tulare clearly stands apart from the other five counties in that a much larger share of its population lives in rural areas and its economy is much more agricultural. (Earlier MDRC studies found little impact for welfare-to-work programs in rural environments, although very few studies inform this issue.) Moreover, Tulare's unemployment rate was unusually high – averaging 14.2 percent over the data collection period for this report – and the county experienced an average annual decline of 1.4 percent in the number of its employed residents. During part of this time, the county suffered a severe winter freeze, boosting its unemployment rate to an even higher level. These conditions suggest that the experimental group in Tulare may have faced unusually difficult obstacles to finding employment opportunities.

At the same time, employment rates and average earnings among controls in Tulare were as high as or higher than the figures for controls in the other five counties. Perhaps many of Tulare's controls were able to find employment in nearby counties, where opportunities appear to have been greater. If so, these same opportunities would have been available to the experimentals. This makes

it more difficult to conclude that unusually poor job prospects fully account for Tulare's lack of positive two-year impacts. Perhaps some aspects of the county's particular implementation strategies *in conjunction with* certain features of its local environment would offer a better explanation. This and other hypotheses will be explored further in MDRC's future reports.

Next Steps in the GAIN Evaluation

In summary, GAIN, in five of the six study counties, produced modest-to-large earnings gains or welfare savings (or both) over the first two years of follow-up, and it is evident that additional impacts will accrue in the future. Of course, if these future effects are substantially larger in some counties than in others, that could change the relative rankings of the six counties in terms of their overall effectiveness. Thus, policymakers and administrators should be cautious in drawing final conclusions from this report about what kinds of approaches to operating GAIN work best, or about the full payoff of the GAIN program.

MDRC's continuing evaluation will measure GAIN's impacts in the six counties over a longer follow-up period and will reexamine the relationship of county implementation conditions and strategies to county impacts. In addition, future reports will draw upon a survey of GAIN registrants and other data to examine the program's effects on a wide array of outcomes (such as educational attainment and other economic and noneconomic outcomes), estimate its benefits and costs, and explore the role played by other factors in shaping GAIN's effectiveness in moving welfare recipients off welfare and into jobs.

CHAPTER 1

INTRODUCTION

This report is the sixth in a series on the effects of California's Greater Avenues for Independence (GAIN) Program, which the Manpower Demonstration Research Corporation (MDRC) is evaluating under contract to California's State Department of Social Services (SDSS).[1]

GAIN, which began operations in 1986, aims to increase employment and foster self-sufficiency among people receiving Aid to Families with Dependent Children (AFDC), i.e., welfare. Operating in all 58 California counties, GAIN is the largest and one of the most ambitious welfare-to-work initiatives in the United States. Among its most distinctive features is its emphasis on mandatory, upfront basic education – usually preceding or following job search efforts – for welfare recipients who lack either a high school diploma or basic literacy skills in mathematics, reading, or the English language.

In July 1989, the GAIN program, with a few modifications, became California's version of the national Job Opportunities and Basic Skills Training (JOBS) Program. The basic service sequences were not changed, but, in accordance with the JOBS legislation (the Family Support Act of 1988), GAIN's mandate was broadened to include single parents of preschool-age children (in addition to those whose children were all 6 years old or older) and, in some cases, the second parent in two-parent families.

Intended as an "update" of the previous (1992) study, which examined GAIN's first-year impacts on employment, earnings, and welfare receipt in six counties, this report extends the analysis through a full second year of follow-up, using the same impact measures and analysis strategies. In order to provide readers with a full context for interpreting the new findings – rather than just a summary of them – the report has been closely modeled on parallel chapters in the 1992 document. Future reports will use a wider array of measures and strategies to assess GAIN's performance more comprehensively. In addition, the final report will use longer-term data, which are essential for

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[1]MDRC's previous reports on GAIN are: John Wallace and David Long, *GAIN: Planning and Early Implementation* (New York: MDRC, 1987); James Riccio, Barbara Goldman, Gayle Hamilton, Karin Martinson, and Alan Orenstein, *GAIN: Early Implementation Experiences and Lessons* (New York: MDRC, 1989); Karin Martinson and James Riccio, *GAIN: Child Care in a Welfare Employment Initiative* (New York: MDRC, 1989); Stephen Freedman and James Riccio, *GAIN: Participation Patterns in Four Counties* (New York: MDRC, 1991); and James Riccio and Daniel Friedlander, *GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties* (New York: MDRC, 1992).

determining the overall success of any program that, like GAIN, makes a substantial investment in education and training; the total return on such an investment may be evident only after several years.

The 1992 study found that, together, the GAIN programs in the six research counties – Alameda, Butte, Los Angeles, Riverside, San Diego, and Tulare – produced statistically significant earnings increases and reductions in AFDC payments in the first year after individuals in the research sample entered the programs. However, the effects varied substantially across the counties, with one county (Riverside) having had unusually large first-year impacts and another county (Tulare) having had virtually no impacts. The other four counties also produced significant impacts in the first year, although not always on earnings *and* AFDC payments, and not for all subgroups of GAIN registrants.

As in the previous study, this report presents separate impact findings for each of the six counties, recognizing that the program's effects may have varied because of differences in the way the counties chose to implement GAIN as well as differences in demographics of their caseloads and local economic and other conditions. These alternative approaches have themselves been fostered by the manner in which California's welfare system is run: Each county administers its own welfare agency under the supervision of SDSS. Thus, county administrators can exert significant control over the day-to-day operation of the program and the emphasis placed on different implementation strategies. Through a comparison of the six research counties, the previous report began to examine whether differences in the counties' implementation practices and conditions contributed to their differences in program impacts. This report continues that analysis using the two-year follow-up data. However, for reasons discussed below, this type of assessment cannot be of the same level of rigor as the determination of whether or not GAIN is effective *within* each county.

Results from the GAIN evaluation continue to be important for other states and the federal government because little other information is available on the effectiveness of a large-scale welfare-to-work program that puts a major emphasis on upfront basic education in addition to job search and a range of vocational training options. (Most pre-JOBS evaluations were of programs emphasizing primarily job search and subsidized work experience.)[2] Also, California includes about one-sixth of the nation's AFDC population, and GAIN accounted for a large share (12 percent) of the federal government's total JOBS spending for fiscal year 1992. Thus, California's experiences are particularly important in the continuing national debate over welfare reform.

In its emphasis on education and on serving longer-term welfare recipients, GAIN is similar to the JOBS programs in many other states. However, though broadly relevant, the GAIN model differs

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[2]See Gueron and Pauly, 1991.

substantially from many other states' approaches. In particular, GAIN's highly specific sequences – including, in varying arrangements, job search, basic education, and other education and training activities – are unusual. More typically, welfare recipients begin the JOBS program in other states with an in-depth assessment of their needs and interests, and they are permitted greater choice over their initial activity assignment.[3] Also, during much of the period of this evaluation, California counties served a broad cross section of the GAIN-mandatory caseload, in contrast to the emphasis in many other states on serving volunteers first. (More recently, California has been giving preference to mandatory and, in some cases, non-mandatory welfare recipients who volunteer and who fall into one of the JOBS "target groups.")[4] Finally, California's AFDC grant levels are among the highest in the nation.[5] Grant levels can affect work incentives and the relationship between work and welfare in a number of ways: High grants can reduce the relative attractiveness of low-paying jobs, but they also allow people to work and still remain on welfare, which, in certain cases, can increase work incentives. A state's grant levels may thus affect a program's impacts by hindering or reinforcing a program's efforts to move recipients into jobs and off welfare.

I. The GAIN Model

The GAIN model begins at the county welfare department's Income Maintenance office. (Figure 1.1 illustrates the basic sequences in simplified form.) Here, when determining initial or continuing eligibility for welfare, the staff identify and refer to GAIN those AFDC applicants and recipients who are mandatory for the program, and offer to refer recipients who are GAIN-exempt but might wish to volunteer for the program. Depending on the county, either Income Maintenance or GAIN staff officially register individuals for GAIN. As indicated above, the pre-JOBS rules defining mandatoriness for GAIN exempted single parents with children under the age of 6, a group that accounts for about two-thirds of all single-parent AFDC recipients. No such exemption existed for the heads of two-parent families.

At the GAIN office, the registrant attends an orientation and appraisal. At orientation, the opportunities and obligations of the program are explained, and the registrant takes a basic reading and mathematics test (unless she or he is not proficient in English). As part of the appraisal

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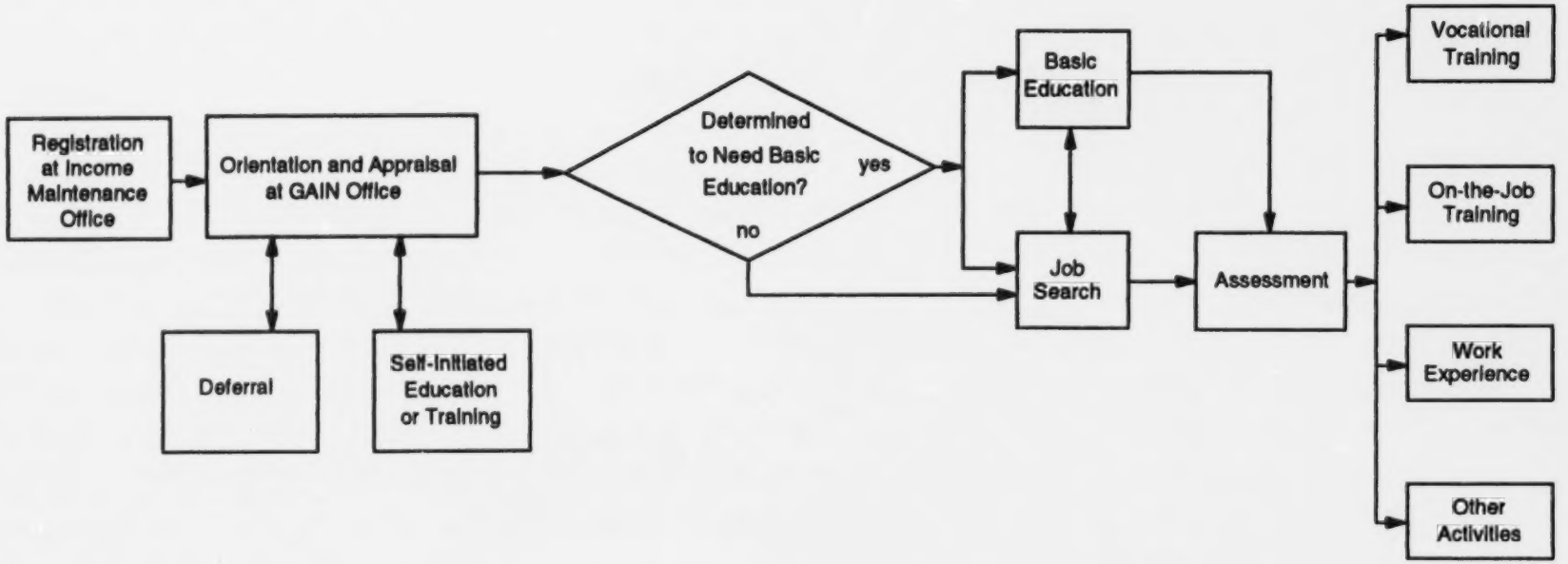
[3]See, e.g., Hagen and Lurie, 1992.

[4]The federal government encourages states to give certain categories of welfare recipients higher priority for JOBS, and when 55 percent or more of a state's JOBS expenditures are on the designated target groups, it matches the state's JOBS spending at a higher rate than it otherwise would.

[5]In California, the basic AFDC grant for a family of three is $624, which was reduced from $663 in 1992. Grant levels are higher only in Alaska, Hawaii, Connecticut, and Vermont.

FIGURE 1.1

SIMPLIFIED DEPICTION OF THE GAIN PROGRAM MODEL



NOTE: Registrants can leave the GAIN program at any point because of employment or deregistration from GAIN for other reasons.

interview, the assigned case manager reviews the registrant's background characteristics, including circumstances that might prevent her or him from participating in GAIN. The registrant is then either referred to a GAIN activity or deferred (i.e., temporarily excused from participating). GAIN's support services, such as child care and transportation, are arranged at this time if the registrant needs them to take advantage of the program's activities.[6] Participation in GAIN is expected to continue until the individual finds employment, leaves welfare, or is no longer required to participate for other reasons. Failure to comply with program rules can result in a "sanction" (i.e., a reduction or termination of the monthly welfare grant).[7]

As noted above, not all those who attend an orientation are expected to take part in a GAIN activity. GAIN's regulations permit temporary deferral from the participation requirement for those who have a part-time job, temporary illness, family emergency, or another situation that precludes attending an activity. Welfare recipients are also not required to remain registered for GAIN if they meet certain exemption criteria such as getting a full-time job (of at least 30 hours per week) that does not pay enough to make a person ineligible for AFDC or being chronically ill. These individuals are officially removed (i.e., "deregistered") from the program, as are those who leave AFDC entirely for employment or other reasons. Still others who *are* expected to participate but choose not to may be sanctioned.

As shown in Figure 1.1, GAIN has two primary service tracks. Registrants who do not have a high school diploma or its equivalent (a General Educational Development – GED – certificate), or score low on either the reading or mathematics part of the basic skills test,[8] or are not proficient in English, are determined by GAIN regulations to be "in need of basic education." They usually enter one of three basic education programs: GED preparation, Adult Basic Education (ABE), or English as a Second Language (ESL). Registrants on this track may elect to pursue job search

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[6]GAIN helps registrants find, and pays for, child care services for children who are under age 13 – assistance that continues for a one-year transitional period if the registrant leaves welfare for employment. GAIN also reimburses program participants for relevant public transportation costs (unless a car is essential) including transportation for their children to and from a child care facility. Participants may also receive reimbursement for program-related expenses such as tools and books. Finally, GAIN funds can be used to identify the need for counseling for personal or family problems that arise from or hinder participation or employment and to make an appropriate referral. For details on GAIN's support services, see Riccio et al., 1989.

[7]Prior to JOBS, registrants who were heads of two-parent families lost their entire grant if they were sanctioned, whereas single parents lost only the parent's (not the children's) portion of the grant. Under JOBS, the heads of two-parent families who are sanctioned similarly lose only the parent's share of the grant.

[8]The screening test is the Comprehensive Adult Student Assessment System (CASAS) test, and a score lower than 215 on the reading or mathematics portion is a criterion for designating a person to be "in need of basic education."

assistance first, but must then enroll in a basic education class if they do not find a job. Alternatively, they may choose to participate in basic education first and then job search, or they may elect to attend job search and basic education concurrently.

The second track is for registrants who are determined "not in need of basic education" (i.e., they have a high school diploma or a GED, pass the literacy test, and are deemed to be proficient in English). They are usually referred first to a job search activity. Job search activities include job club – group training sessions in which participants learn basic job-seeking and interviewing skills – and supervised job search, in which participants have access to telephone banks, job listings, employment counseling, and other assistance under staff supervision.[9] Job search activities usually last for three weeks.

A third track is available for registrants who began an education or training activity *prior* to attending an orientation and appraisal (and irrespective of whether their appraisal determined them to be in need of basic education). At the appraisal session, the registrant's case manager decides whether the activity furthers the registrant's employment goal. If the decision is yes, the case manager may authorize the registrant to continue attending the program as a GAIN activity and to be eligible (for no more than two years) for GAIN's child care and transportation payments. Such an activity is referred to in GAIN as "self-initiated" education or training.

Registrants who complete their upfront activities without having found a job must participate in a formal assessment of their career plans and work out an individual employment plan. They are then referred to "post-assessment" activities intended to further their employment plan. Possible activities include vocational or on-the-job training, unpaid work experience (or "workfare," which in GAIN is referred to as PREP),[10] supported work,[11] or other forms of education and training. For some individuals, a 90-day job search follows the post-assessment activity; they seek work on their own and periodically report to GAIN staff. If this fails to lead to a job, they are assigned to long-

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[9]Some counties assign some individuals to unsupervised job search prior to an assessment.

[10]PREP (Pre-Employment Preparation) is unpaid work experience in a public or nonprofit agency in exchange for the recipient's welfare grant. PREP assignments can be short-term, lasting up to three months, or long-term, lasting up to one year. The number of hours of the work assignment are determined by adding the recipient's grant (less any child support the noncustodial parent has paid to the county) and the Food Stamp allotment, and dividing that sum by the statewide average hourly wage. PREP work assignments cannot exceed 32 hours per week.

[11]Supported work is paid work experience, in a group setting, for participants with little work history. It is characterized by close on-site supervision, peer support, and gradually increased responsibilities. A closely associated activity is transitional employment, which provides less intensive supervised training in a work setting. Neither of these activities was used in the six research counties during the period covered by this report.

term PREP. After completing that component, registrants are assessed again and another activity is selected.

In most of California's 58 counties, GAIN operates through a network of service providers in the community, with the welfare department at the center. Typically, the county welfare departments register people for GAIN, manage the overall program, provide case management, develop PREP positions (rarely used during the participation follow-up period covered by this report), and, in some cases, conduct job clubs and other job search activities. With a few exceptions, the rest of the GAIN program functions and services are provided by agencies outside the welfare department, but the welfare department retains overall administrative responsibility. For example, adult schools – and sometimes community colleges and other organizations – supply basic education services, often using state Job Training Partnership Act (JTPA) "8 percent funds" (i.e., funds set aside for education and, in California, a portion of which was earmarked specifically for GAIN participants); community colleges, proprietary schools, regional occupational centers, and JTPA vendors typically provide vocational education and training. Also, in some counties, the local offices of the state's Employment Development Department (EDD) operates GAIN's job club and other job search components. In addition, most counties rely on local child care resource and referral agencies (although to different degrees) to help registrants find child care and often to make arrangements with child care providers. Frequently, the GAIN staff also take part in this process.

II. The Research Counties

The six counties in the study of GAIN's impacts represent diverse geographical regions of the state, vary widely in local economic conditions and population characteristics, and constitute a mix of urban and rural areas. (See Figure 1.2 and Table 1.1.) They include three large, mostly urban, southern counties (Los Angeles, Riverside, and San Diego); one county in the Central Valley, a rural region dominated by agriculture (Tulare); a moderate-sized county in the San Francisco Bay area (Alameda, which includes the City of Oakland); and one small northern county (Butte). Two of the counties (Alameda and Los Angeles) include large inner-city neighborhoods, and all but Butte are home to sizable populations of recent Asian and Hispanic immigrants and refugees.

Partly reflecting differences in their geography, funding levels, and the degree of dispersion of their welfare populations, two of the counties operated their GAIN program out of a single location (Alameda and Butte), while the others established several local GAIN offices (San Diego, with eight, had the most). The total number of persons registered for GAIN ranged from 2,531 in Alameda to

FIGURE 1.2

MAP OF CALIFORNIA SHOWING THE SIX COUNTIES PARTICIPATING IN THE GAIN IMPACT RESEARCH

TABLE 1.1

SELECTED CHARACTERISTICS OF THE GAIN RESEARCH COUNTIES

Characteristic	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Date began operating GAIN program	9/88	1/87	10/88	9/87	10/87	7/88
Period of random assignment	7/89-5/90	3/88-3/90	7/89-3/90	8/88-3/90	8/88-9/89	1/89-6/90
Period covered by program tracking data	7/89-4/91	3/88-2/90	7/89-5/91	8/88-3/90	8/88-2/90	1/89-4/90
Period covered by employment and earnings data	7/89-6/92	3/88-6/92	7/89-6/92	8/88-6/92	8/88-6/92	1/89-6/92
Period covered by welfare data	7/89-6/92	3/88-9/92	7/89-9/92	8/88-9/92	8/88-6/92	1/89-6/92
Unemployment rate (%)						
July 1988-June 1989	4.4	8.0	4.6	6.7	4.1	10.3
July 1989-June 1990	3.9	7.4	5.2	6.7	3.9	11.1
July 1990-June 1991	4.8	8.8	6.8	9.8	5.6	15.5
July 1991-June 1992	5.7	10.2	8.8	11.3	6.5	15.9
Average annual change in number of county residents employed, from July of county's first year of random assignment to July 1992 (%)	-0.1	2.2	0.8	3.0	1.2	-1.4
Population living in rural areas, 1990 (%)	0.3	14.8	0.9	14.4	4.4	32.7
Employed in agriculture, 1990 (%)	1.0	6.1	1.3	4.4	2.4	18.7
Number of welfare cases, December 1990 (a)						
AFDC-FG	27,245	4,432	208,016	21,823	45,123	11,497
AFDC-U	3,060	1,231	23,340	2,177	5,835	3,176
Proportion of California AFDC caseload in county (AFDC-FG and AFDC-U combined), December 1990 (b) (%)	4.4	0.8	33.7	3.5	7.4	2.1
Number of GAIN registrants, December 1990 (c,d)						
AFDC-FG (mandatory)	1,595	n/a	13,817	5,886	15,982	3,451
AFDC-U (mandatory)	251	n/a	3,899	2,489	6,426	1,925
Exempt volunteers (AFDC-FG and AFDC-U)	685	n/a	7	354	1,989	249
Total	2,531	n/a	17,723	8,729	24,397	5,625

(continued)

TABLE 1.1 (continued)

Characteristic	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Proportion of California GAIN caseload in county (AFDC-FG and AFDC-U combined), December 1990 (d,e) (%)	1.4	n/a	9.7	4.8	13.3	3.1
Proportion of welfare cases registered for GAIN, December 1990 (AFDC-FG and AFDC-U combined) (d)(%)	8.4	n/a	7.7	36.4	47.9	38.3
Number of GAIN offices in evaluation	1	1	5	4	8	5
GAIN mandatory caseload members targeted for registration	Long-term recipients only (f)	Cross section	Long-term recipients only (f)	Cross section	Cross section	Cross section

SOURCES: California Employment Development Department (unemployment rates and percentages employed in agriculture); U.S. Bureau of the Census, 1990 (percentages in rural areas); California Health and Welfare Agency (welfare and GAIN data).

NOTES: (a) A "welfare case" is defined as a single-parent (AFDC-FG) or two-parent (AFDC-U) household that received an AFDC payment during December 1990 and remained eligible to receive AFDC at the end of the month.

(b) The statewide AFDC caseload at the end of December 1990 was 686,792.

(c) GAIN registrants include AFDC applicants and recipients who registered for GAIN and were still eligible for GAIN services at the end of December 1990. In San Diego county, the number of AFDC-U GAIN registrants exceeded the number of AFDC-U cases. Several factors could account for this discrepancy: registration of the second parent in the household; more AFDC applicants than recipients among those newly registered for GAIN; and delays in the deregistration of GAIN registrants who had recently left AFDC.

(d) "n/a" refers to the fact that these data were not available for Butte County.

(e) The statewide GAIN caseload at the end of December 1990 was 183,127.

(f) In Alameda, the long-term recipients served in GAIN had been continuously receiving AFDC for more than two years. In Los Angeles, the long-term recipients served had been continuously receiving AFDC for three years or more.

24,397 in San Diego at the end of December 1990 (which was six months following the completion of sample intake for this evaluation).[12]

Although the GAIN participants in these six counties are not strictly representative (in a pure statistical sense) of GAIN registrants in California as a whole, together they accounted for about one-third of the state's entire GAIN caseload in December 1990. (Over half of the entire state AFDC caseload lives in these counties, with 34 percent of all cases having been located in Los Angeles alone.) Thus, while the results of the evaluation are not generalizable to the state as a whole, they do provide a test of GAIN as implemented under a wide range of conditions found across California.

All of the research counties began operating their GAIN program between January 1987 (Butte) and October 1988 (Los Angeles). (See Table 1.1.) During the period of random assignment, Butte, Riverside, San Diego, and Tulare operated a "universal" program by registering all welfare applicants and recipients whose participation in GAIN was mandatory. (As previously noted, others who were exempt from the participation requirement were allowed to volunteer.) In contrast, Los Angeles and, in almost all cases, Alameda registered only long-term welfare recipients, in accordance with GAIN regulations that require counties to give priority to long-term recipients when funding constraints do not permit services for all eligible clients. Los Angeles registered only welfare recipients who had received AFDC for at least three consecutive years. However, except for those who met the official exemption criteria, *all* recipients in this category were referred to GAIN. Alameda began by registering individuals who had been receiving AFDC since 1980 but subsequently registered more recent welfare recipients.[13]

As will become apparent below, the different intake policies across the counties, along with differences in the general makeup of each county's local population, yielded research samples that varied markedly in their demographic composition. This is an important fact, which is taken into consideration when the analysis compares the impacts of GAIN across the six counties.

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[12]The average *statewide* GAIN caseload in July 1990–June 1991 was 178,676 registered cases per month. As a result of decreased funding, this average fell to 164,253 cases per month in July 1991–June 1992. (Almost 60,000 people were participating in GAIN activities at any one time.) In December 1990, approximately 27 percent of all AFDC cases statewide were registered for GAIN. By December 1992, this had declined to approximately 18 percent (14 percent of AFDC-FG cases and 35 percent of AFDC-U cases). Total federal, state, and local expenditures for GAIN (not counting "community resources," such as the substantial amount of JTPA and California State Department of Education monies earmarked for serving GAIN students but not controlled by SDSS) were $215.5 million in state fiscal year 1990-1991. They fell to $192 million in 1991-1992, and were then increased to an estimated $212.5 million in 1992-1993.

[13]Prior to the start of the evaluation, Alameda gave priority to long-term recipients, within both the GAIN-exempt and non-exempt groups, who *volunteered* for the program.

Table 1.1 presents trends in unemployment rates in each county during the period of random assignment as well as through the end of the follow-up period for this report.[14] Overall, unemployment rates were generally increasing toward the end of the study period, a pattern influenced by the state and national economic recession. Nonetheless, Tulare consistently had the highest unemployment rates, with a monthly average of over 11 percent between July 1989 and June 1990 and an average of about 16 percent in the following two years. (A severe freeze in 1991, which destroyed much of the crop in that largely rural and agricultural area, contributed to this rise in unemployment rates.) Economic conditions also varied considerably across the other counties. Alameda and San Diego consistently had the lowest unemployment rates.

A somewhat different picture of local economic conditions emerges when an alternative measure – the annual rate of change in the number of county residents employed – is considered. (See Table 1.1.) Over the course of the study period, Riverside stands out as having had the highest growth rate (an average increase of 3 percent per year) on this measure, which may be indicative of better opportunities for finding jobs. Butte followed, with a growth rate of 2.2 percent per year, and San Diego had a rate of 1.2 percent per year. Los Angeles experienced very little growth in the number of employed residents, while the rate was slightly negative for Alameda, and even more negative for Tulare. Although the county variation on this measure does not correspond well with the pattern of unemployment rates, the two measures together illustrate the more general point that the counties faced quite different local circumstances in operating their GAIN program, which must be taken into account when comparing county impacts.

III. An Overview of the Research Design

To test the effectiveness of GAIN in increasing welfare recipients' employment and earnings and reducing their use of AFDC, a random assignment research design was instituted in each of the six counties. All individuals who, during the period of sample intake, were designated at the Income Maintenance office as mandatory registrants for GAIN[15] *and* attended a program orientation and appraisal at the GAIN office were randomly assigned to either an experimental group, which was

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[14]Random assignment began first in Butte and was completed last in Tulare. Data collection for employment and earnings ended in June 1992, which is two years after the last person to come into the evaluation was randomly assigned. Data collection for welfare outcomes ended in June 1992 in three counties and in September 1992 in the other three.

[15]As noted above, the mandatory population was broadened under JOBS, but only the groups considered mandatory for GAIN under the pre-JOBS rules – i.e., single parents whose youngest child was 6 or older and the heads of two-parent families – are included in the analyses for this report.

eligible to receive GAIN services and subject to the participation mandate, or to a control group, whose members were not eligible for those services – including GAIN's child care services – and not subject to the mandate. (See Appendix Figure A.1.) The controls could, however, seek alternative services in the community on their own initiative. Later, both groups – which together make up the research sample for the study of GAIN's impacts – were followed up. The differences in their employment, earnings, and welfare receipt represent the measured impacts – or effects – of GAIN.

In some other studies of welfare-to-work programs, random assignment has taken place when people come to the Income Maintenance office, rather than later, at program orientation, as it did in the GAIN evaluation. Under the former type of design, the impact sample includes individuals who never show up at a program orientation as well as those who do show up, and thus fully represents the caseload of individuals referred to the program. When random assignment is placed later, at orientation, registrants who do not show up for the program – a potentially sizable group[16] – are not part of the research sample. Thus, the results cannot be directly generalized to the entire caseload of registrants referred from the Income Maintenance office. This issue, which is explored further in Chapter 2, is important when comparing the results of the GAIN evaluation with those of other studies.

Table 1.1 shows that the random assignment period for the GAIN impact study started and ended at different times in each of the six counties. (Random assignment concluded when the number of people required for the research had been enrolled in the sample.) Butte, the smallest of the six counties, conducted random assignment for about two years, from March 1988 to March 1990. The process was shorter in the other counties, ending everywhere no later than June 1990. Overall, about 55 percent of the research sample were registered prior to July 1989, the date of GAIN's transition to JOBS.

Random assignment began in each county sometime between 7 and 14 months after the county began operating GAIN. The lag between the program and random assignment start dates was intended to allow the counties some opportunity, prior to the study period, to address the inevitable problems associated with beginning a new program. Nonetheless, program procedures and policies

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[16]Although the orientation "no-show" rate was not measured in the six counties discussed in this report, it was measured in seven of the eight counties included in MDRC's 1989 implementation report (Riccio et al., 1989, Chapter 4). In that sample, nearly one-third of all mandatory registrants did not show up for an orientation and appraisal within six months of their scheduled orientation. By the end of the six-month follow-up period, roughly two-thirds of those who did not attend an orientation had either left welfare or were officially excused from participating in the program.

have continued to evolve as administrators and staff refine their approaches and acquire more experience in operating GAIN. The transition to JOBS in July 1989 and reductions in state GAIN funds have also had to be dealt with. These circumstances should be kept in mind as part of the context for this report.

IV. The Riverside Case Management Experiment

An additional feature of the GAIN evaluation is a special study conducted in Riverside County on the effects of assigning GAIN registrants to case managers with different-size caseloads. One group of case managers was assigned half as many registrants as the other. Although the actual average ratio of registrants to case managers fluctuated over time, the 2-to-1 difference was maintained throughout the random assignment period and for approximately a year thereafter. Furthermore, all case managers, as well as all registrants in the experimental group, were randomly assigned to either the higher or lower caseload group.

This special experiment was designed to test whether assigning registrants to staff with smaller caseloads, and allowing staff to monitor them more closely and work with them more intensively, would produce larger impacts on employment and earnings and larger welfare savings. The results of that study will be presented in a future report. In this report, all findings for Riverside refer to the county as a whole (i.e., both groups combined).

V. The Research Samples and Data Sources

This report presents the two-year impacts for GAIN-mandatory registrants, both for single parents with school-age children (mostly mothers), referred to as AFDC-FG – family group – registrants, and for the unemployed heads of two-parent families (mostly fathers), referred to as AFDC-U – unemployed parent – registrants. The full research sample for the analysis includes more than 33,000 experimentals and controls, approximately 69 percent of whom are AFDC-FGs and 31 percent of whom are AFDC-Us.[17] (About 22 percent of the AFDC-FGs, 31 percent of the AFDC-Us, and 25 percent of both groups combined were randomly assigned to the control group, with the actual proportions varying across the counties and over time in some counties.)

[17]The total sample of more than 37,000 includes some individuals who were newly mandatory for GAIN under the JOBS legislation. Although not included in the analyses presented in this report, GAIN's effects on that group will be examined in the evaluation's final report.

In addition to impacts for the full sample of experimentals and controls, impacts are also presented for an "early cohort" of AFDC-FGs and AFDC-Us within each county. These registrants were randomly assigned early during the period of sample intake, making it possible to examine, for them, impacts for a third year of follow-up. However, the three-year impacts for a county's early cohort may not reflect those for its full research sample if its early and later registrants differ in their background characteristics, the labor market conditions they faced, the way GAIN was operated when they were in the program, and other factors. Therefore, the three-year findings included in this report should be interpreted cautiously. MDRC's final evaluation report, scheduled for the spring of 1994, will present impacts covering a minimum of three years for the full sample in each county, and longer for the early cohort.

For the impact analysis, data on welfare receipt and welfare payment levels were obtained on all experimentals and controls from each county's computerized welfare payment records. Employment and earnings data come from the computerized California State Unemployment Insurance (UI) Earnings and Benefits Records. These data were collected for a period that began up to two years prior to random assignment (depending on the county) through June 1992 (September 1992 for the welfare data in three counties). Later in this chapter and in Chapter 4, the report summarizes some of the main findings concerning the implementation of GAIN in the six research counties. These include findings on the experimental group's patterns of participation in GAIN activities. They are based on the experiences of a subsample of AFDC-FGs and AFDC-Us (referred to as the "participant flow sample") and cover the first 11 months after each sample member's date of random assignment. In Alameda and Los Angeles, these participation data were obtained from computerized tracking systems, making it possible to include in the participant flow samples all experimentals in those two counties. In the other four counties, participation data were collected manually by MDRC staff from program casefiles. Consequently, data were obtained for only a subsample of the experimental group in those counties.[18]

This report also uses data from several other sources. To describe the background characteristics of the experimentals and controls (such as their age, ethnicity, family composition, and education and training, as well as their welfare and employment history), it uses information from the

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[18]In the four counties with manually collected data, information was obtained for a randomly selected subsample of GAIN experimentals -- 920 AFDC-FGs and 519 AFDC-Us -- who were randomly assigned between March 1988 and May 1989. Because random assignment continued beyond this period, these data do not reflect the participation patterns of later cohorts of experimentals. For further details, see Freedman and Riccio, 1991.

state's client information (or "GAIN-26") form. A few special categories were added to this form in the six counties for research purposes. To describe the ways in which the counties implemented the GAIN model, the study draws upon responses to the MDRC Staff Activities and Attitudes Survey, which was administered to GAIN staff twice in each county (one and two years after GAIN began), along with a series of in-depth, in-person interviews with program case managers and administrators.

VI. Background Characteristics of the Full Sample for This Report

The top panel of Table 1.2 displays selected demographic characteristics of the full sample[19] of AFDC-FGs in each county (with the experimental and control groups combined). The bottom panel presents the same information for the AFDC-U group. County differences in the characteristics of their research samples are important to note because they may contribute to differences in registrants' participation patterns as well as in program impacts and costs. For instance, past research suggests that the effects of welfare-to-work programs tend to be different for recent applicants to welfare than for those already receiving welfare when they enter the program (although the pattern of effects for these groups has not been fully consistent across the programs studied).[20] Educational background also matters, especially in a program such as GAIN, where the sequences of services received are intended to be different for registrants determined "in need of basic education" and those determined "not in need of basic education." Thus, county variations in these and other characteristics must be considered when comparing the counties' participation and impact results.

Table 1.2 reveals some striking contrasts in the background characteristics of the counties' research samples. For example, unlike samples in all of the other counties, those in Alameda and Los Angeles include virtually no individuals who, at the time of their referral to GAIN, were AFDC applicants or short-term recipients. This reflects the special intake policies in those two counties, which were noted above. Furthermore, in the AFDC-FG group in the other four counties, the proportion of long-term recipients (who had received welfare for more than two years) ranged from 28 percent in Butte to 58 percent in Tulare. Across the six counties, the proportion who had worked

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[19]The full research sample of 33,222 registrants shown in Table 1.2 includes 289 cases that are not included in the impact sample because social security numbers and/or AFDC case numbers are missing, or for other reasons. Dropping these cases from the impact analyses (Chapters 2 and 3) accounts for the slight variation between subgroup percentages in the demographic and participation tables presented in Chapters 1 and those in the impact tables.

[20]See, e.g., Friedlander, 1988; Friedlander and Hamilton, 1993.

TABLE 1.2

SELECTED CHARACTERISTICS OF THE GAIN RESEARCH SAMPLE AT ORIENTATION

Sample and Characteristic	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
All AFDC-FG experimentals and controls						
Aid status (a) (%)						
Applicant	0.0	60.3	0.0	31.0	28.0	13.9 (b)
Short-term recipient	0.0	11.5	0.0	29.8	30.8	28.2 (b)
Long-term recipient	100.0	28.2	100.0	39.2	41.2	57.9 (b)
Employed within past 2 years (%)	23.9	56.8	16.5	49.3	59.2	48.7 ***
In need of basic education, according to GAIN criteria (%)	65.4	49.0	80.6	60.3	56.1	65.2 ***
Ethnicity (%)						
White, non-Hispanic	17.9	85.7	11.6	51.2	41.8	51.7 ***
Hispanic	7.5	5.6	31.9	27.6	25.3	39.2 ***
Black, non-Hispanic	68.6	3.5	45.3	15.5	22.5	3.6 ***
Indochinese	2.1	0.6	9.9	1.3	5.5	0.4 ***
Other Asian	0.8	2.2	0.7	1.7	0.9	2.3 ***
Other	1.6	2.0	0.4	2.2	3.1	2.5 (b)
Limited English proficiency (%)	4.5	6.9	31.7	10.3	17.3	13.7 ***
Average age (years)	34.7	33.6	38.5	33.7	33.8	34.9 ***
Average number of children	1.9	1.7	2.1	1.8	1.7	2.0 ***
Research sample status (%)						
Experimental	50.0	80.3	68.0	81.2	85.8	71.0 ***
Control	50.0	19.7	32.0	18.8	14.2	29.0 ***
Sample size	1,205	1,234	4,434	5,626	8,224	2,248

(continued)

TABLE 1.2 (continued)

Sample and Characteristic	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
All AFDC-U experimentals and controls						
Aid status (a) (%)						
Applicant	0.0	76.2	0.0	42.8	32.9	22.2 (b)
Short-term recipient	0.0	11.8	0.0	37.3	37.7	42.2 (b)
Long-term recipient	100.0	12.1	100.0	19.9	29.4	35.7 (b)
Employed within past 2 years (%)	22.5	80.1	32.1	72.1	78.9	67.5 ***
In need of basic education, according to GAIN criteria (%)	81.3	58.0	92.2	66.6	62.9	74.0 ***
Ethnicity (%)						
White, non-Hispanic	15.9	74.8	11.2	42.7	36.2	36.3 ***
Hispanic	9.3	7.8	22.5	31.8	26.6	41.6 ***
Black, non-Hispanic	15.4	2.5	4.2	8.1	9.6	2.3 ***
Indochinese	40.1	2.9	58.3	6.0	20.5	3.9 ***
Other Asian	15.4	9.4	3.5	7.9	2.1	12.9 ***
Other	2.2	2.3	0.2	3.2	3.5	2.7 (b)
Limited English proficiency (%)	55.5	16.7	82.7	23.9	30.1	31.3 ***
Average age (years)	40.3	29.8	42.0	32.3	33.6	32.3 ***
Average number of children	3.0	2.1	2.5	2.4	2.4	2.6 ***
Research sample status (%)						
Experimental	52.7	77.4	50.4	69.2	74.2	69.3 ***
Control	47.3	22.6	49.6	30.8	25.8	30.7 ***
Sample size	182	1,019	1,459	2,407	3,277	1,907

SOURCE: MDRC calculations from GAIN intake forms for the full research sample.

NOTES: Sample characteristics were recorded on the intake form by GAIN staff at orientation and are based on answers from GAIN registrants.

Distributions may not add to 100.0 percent because of rounding or because of items missing from some sample members' intake forms.

A chi-square test was applied to differences among counties. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) Applicants are registrants applying for AFDC at the time of referral to GAIN orientation; they include reapplicants who may have had prior AFDC receipt. Short-term recipients have received AFDC for two years or less. Long-term recipients have received AFDC for over two years. (The AFDC receipt may not have been continuous.)

(b) A test of statistical significance was not performed.

for pay during the two years prior to orientation ranged from 17 percent in Los Angeles to 59 percent in San Diego, and the proportion considered to need basic education ranged from 49 percent in Butte to 81 percent in Los Angeles. The counties also varied widely in racial and ethnic composition. For example, 12 percent of Los Angeles's sample were non-Hispanic whites, compared to 86 percent of Butte's. Also striking is the fact that almost one-third of the Los Angeles sample were considered to have had limited proficiency in English, compared to 5 to 17 percent of the sample in the other counties.

In contrast to the AFDC-FG group, the AFDC-U sample members were less likely to be long-term welfare recipients (except in Alameda and Los Angeles), more likely to have been employed in the prior two years (except in Alameda), and more likely to have been determined to need basic education, in part because of their more limited knowledge of English. AFDC-Us also include a higher proportion of heads of households of refugee families from Vietnam, Laos, and Cambodia as well as from other countries. Notably, more than one-half of the AFDC-U samples in Alameda and Los Angeles were Indochinese or members of other Asian groups.

VII. A Summary of Participation Findings

To interpret the results of the GAIN evaluation's impact analysis (and the benefit-cost analysis, which will be included in the final report), it is essential to understand how extensively the experimental group took part in GAIN activities and which activities they used most and least often. These patterns are a key part of what is meant by the program "treatment" from GAIN registrants' perspective. As such, the patterns may help to determine GAIN's costs and effectiveness in the long run. The previous (1992) report described the participation findings in detail and examined how these patterns varied across the six counties and among different types of individuals within the research sample. This section briefly recaps some of those findings. Chapter 4 summarizes the 1992 report's other implementation findings, which concern county differences in the kinds of "messages" about employment and about GAIN's participation obligation that staff emphasized, the kinds of direct interactions staff had with registrants, and other approaches to program implementation.

As Table 1.3 shows, more than half of the AFDC-FG experimental group in five of the six counties participated in a GAIN job search, education, or training activity.[21] Participation rates in

[21]There are many ways to define and measure participation in welfare-to-work programs. Tables 1.3 and 1.4 use a fairly simple indicator, defining "participation in a GAIN activity" as ever entering a job search, education, or training activity within the follow-up period for this study – the 11 months following each (continued...)

TABLE 1.3

RATES OF PARTICIPATION IN GAIN ACTIVITIES AMONG AFDC-FG EXPERIMENTALS WITHIN 11 MONTHS AFTER ORIENTATION

Sample and Participation Status	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
All experimentals						
Ever participated in any GAIN activity, excluding appraisal and assessment (%)	63.1	42.5	51.3	60.1	55.1	60.9 ***
Ever deferred (%)	46.2	31.5	48.9	48.0	64.4	53.3 ***
Reason for first deferral among those ever deferred (%)						
Part-time employment	18.3	36.5	17.4	27.7	30.8	32.5 (a)
Illness	25.5	11.1	44.1	28.6	25.2	18.3 (a)
Other reasons	56.1	52.4	38.5	43.7	44.0	49.2 (a)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Ever deregistered (%)	27.9	51.0	46.3 (b)	79.4	56.7	40.4 ***
With request for sanction	--	4.0	--	10.9	4.0	1.8 (a)
With actual sanction	0.0	--	5.4 (b)	6.0 (c)	--	--(a)
Ever participated in (%)						
Job search	26.4	18.0	11.9	34.3	29.6	20.4 ***
Basic education (d)	38.5	15.0	36.8	21.8	19.0	36.4 ***
GED	13.6	8.0	6.8	9.7	6.9	18.2 ***
ABE	23.9	4.0	19.4	7.7	9.7	16.4 ***
ESL	2.0	3.0	12.3	5.2	3.6	6.2 ***
Self-initiated activity	3.2 (e)	10.0	6.2	13.3	15.4	7.6 ***
Assessment	16.4	11.5	3.7	1.6	11.3	19.6 ***
Post-assessment activity	17.3 (e)	4.0	1.1	2.4	8.1	9.3 ***
Any education or training activity	53.0	27.5	43.8	36.3	37.2	49.3 ***
Sample size	602	200	3,013	248	247	225

(continued)

TABLE 1.3 (continued)

Sample and Participation Status	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Experimentals who started any GAIN activity (f)						
Participated in (%)						
Job search	41.8	42.4	23.2	57.0	53.7	33.6 ***
Basic education (g)	61.1	35.3	71.8	36.2	34.6	59.9 ***
Self-initiated activity	5.0 (e)	23.5	12.2	22.1	27.9	12.4 ***
Post-assessment activity	27.4 (e)	9.4	2.2	4.0	14.7	15.3 ***
Any education or training activity	83.9	64.7	85.4	60.4	67.6	81.0 ***
Sample size	380	85	1,545	149	136	137

SOURCE: MDRC's participant flow sample.

NOTES: Distributions may not add to 100.0 percent because of rounding.
Dashes indicate that data were not available.
A chi-square test was applied to differences among counties. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.
(a) A test of statistical significance was not performed.
(b) The deregistration rates for Los Angeles were adjusted upward by dividing by 0.7; a comparison of deregistration records in registrant casefiles and the GEARS system for a randomly selected subsample of 87 registrants revealed that only 7 of 10 deregistrations recorded in the casefiles were also recorded in GEARS.
(c) This estimate is based on a special analysis conducted by Riverside County in consultation with MDRC.
(d) Subcategory percentages may not add to the category percentage because participation in more than one component of basic education was possible.
(e) Alameda registrants already in vocational education at orientation were coded as participating in vocational education instead of in self-initiated vocational education. This policy causes the post-assessment activity percentage, which includes vocational education, to be higher and the self-initiated activity percentage to be lower than if the coding had been consistent with that in the other counties.
(f) This sample includes only those experimentals who ever participated in any GAIN activity, excluding appraisal and assessment.
(g) GED preparation, ABE, and ESL.

these counties ranged from 51 percent in Los Angeles to 63 percent in Alameda.[22] The sixth county – Butte – had a markedly lower rate (43 percent), particularly because it delayed assigning orientation attenders to case managers in order to limit the size of case managers' caseloads while still including as many people as possible in orientation and appraisal sessions. This waiting period usually lasted several months and delayed referral to the experimentals' first activity.[23] Table 1.3 displays the incidence of participation in *each* GAIN activity, calculated in two different ways.[24] The top panel presents these rates for *all* experimentals, including those who never started an activity. This approach is helpful for understanding the extent to which the entire sample received particular kinds of services. The bottom panel presents several participation rates for only *those experimentals who ever participated in any GAIN activity*. The latter measure is useful for comparing the mix of services among those who used these services.

As Table 1.3 shows, job search, basic education, and self-initiated programs were the most heavily used activities in GAIN during the 11-month follow-up period for which participation data were collected; a much smaller proportion of experimentals had entered post-assessment activities.

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[21](...continued)
person's GAIN orientation meeting, which was also when random assignment took place. Registrants were counted as having "ever participated" if they attended a GAIN activity at least once, although most orientation attenders stayed much longer than this. GAIN activities include those to which individuals were referred by program staff as well as those that were "self-initiated." (The latter were activities that welfare recipients had already started before entering GAIN and were allowed to pursue as a way of meeting GAIN's participation requirement.) Orientation, assessments, appraisals, or meetings with case managers are not counted as participation. This definition differs substantially from the one embodied in the federal regulations for the JOBS program but is consistent with MDRC's 1989 implementation report on GAIN and its earlier reports on other welfare-to-work initiatives.

[22]While a substantial portion of the orientation attenders – ranging from 37 to 57 percent – did not participate in a GAIN activity, almost all of the nonparticipants were people who were not required to participate in GAIN activities by the end of the follow-up period. The vast majority (80 to 100 percent) of the nonparticipants were either no longer enrolled in the program (i.e., they were "deregistered") because they had gotten a full-time job, left welfare, were sanctioned, or met other specific criteria, or were temporarily excused from participating because of part-time employment, illness, or other reasons (i.e., they were officially "deferred").

[23]Butte administrators set a limit of about 75 GAIN registrants per case manager, while still scheduling for orientation all welfare applicants and recipients who met GAIN's eligibility requirements. Because the rate of intake into GAIN exceeded the capacity set for case managers, orientation attenders were routinely placed on a waiting list for assignment to a GAIN case manager and were not contacted by the GAIN staff until a case manager slot became available.

[24]For information on the duration of participation in GAIN activities, see Appendix Tables A.1 (for AFDC-FGs) and A.3 (for AFDC-Us). For information on the basic participation rates among selected subgroups of experimentals, see Appendix Tables A.5 and A.6.

The counties varied significantly in the proportion of registrants using particular components. Experimentals in Butte, Riverside, and San Diego used job search activities at a higher rate than any other single activity. Basic education was the second most commonly used activity in those counties. Just the opposite pattern occurred in Alameda, Los Angeles, and Tulare, where basic education was the leading component, followed by job search. (However, among those determined to need basic education, it was somewhat or much more commonly used than job search in all six counties. See Appendix Table A.5.) Participation in self-initiated education or training and in post-assessment activities – such as skills training, post-secondary education, and unpaid work experience (PREP) – also varied widely across the counties. With few exceptions, self-initiated activities involved occupational skills training and not basic education.

Another measure on Table 1.3 combines all classroom-based education and training into a single category, "any education or training activity." This measure includes participation in basic education, self-initiated education and training, and post-assessment education and training. It excludes participation in on-the-job training (OJT) and PREP activities, both of which entail performing a job rather than classroom training. The table shows that "any education or training activity" was used by 28 percent (Butte) to 53 percent (Alameda) of all experimentals.

Looking just at those experimentals who entered *any* GAIN activity (i.e., the GAIN *participants*), it is evident that education and training characterized the program treatment most strongly in Alameda, Los Angeles, and Tulare, where 81 to 85 percent received such services (mostly basic education). These activities were less common – although still used by a majority of participants – in Butte, Riverside, and San Diego, where 60 to 68 percent took part in them.[25] In other words, across all six counties, no fewer than 60 percent of experimentals who took part in any GAIN activity participated in education and training, either in addition to or instead of job search activities.

The overall participation experiences of AFDC-U and AFDC-FG experimentals were roughly similar. From 36 to 66 percent of the AFDC-U group participated in a GAIN activity. (See Table 1.4.) These rates are close to those observed for the AFDC-FGs, although the county-by-county patterns were not always consistent for the two groups.

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[25]The county differences in these participation patterns partly reflect differences in the types of welfare recipients enrolled in GAIN (such as the proportion who were determined to need basic education), registrants' own preferences for types of services, and various implementation strategies and conditions. See Riccio and Friedlander, 1992, Chapter 3.

TABLE 1.4

RATES OF PARTICIPATION IN GAIN ACTIVITIES AMONG AFDC-U EXPERIMENTALS WITHIN 11 MONTHS AFTER ORIENTATION

Sample and Participation Status	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
All experimentals						
Ever participated in any GAIN activity, excluding appraisal and assessment (%)	56.3	38.4	36.0	66.0	46.3	59.7 ***
Ever deferred (%)	55.2	12.1	69.6	42.2	63.8	49.2 ***
Reason for first deferral among those ever deferred (%)						
Part-time employment	43.4	16.7	53.5	32.3	47.4	23.0 (a)
Illness	30.2	33.3	35.7	21.0	11.6	18.0 (a)
Other reasons	26.4	50.0	10.7	46.8	41.1	59.0 (a)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Ever deregistered (%)	29.2	63.6	34.1 (b)	79.6	54.4	49.2 ***
With request for sanction	--	4.0	--	15.0	0.7	1.6 (a)
With actual sanction	1.0	--	2.1 (b)	6.8 (c)	--	--(a)
Ever participated in (%)						
Job search	14.6	16.2	5.0	42.2	22.1	16.1 ***
Basic education (d)	41.7	20.2	29.5	25.9	24.2	41.9 ***
GED	4.2	10.1	2.0	4.8	6.7	13.7 ***
ABE	10.4	1.0	4.8	6.8	11.4	16.9 ***
ESL	28.1	9.1	23.4	14.3	7.4	13.7 ***
Self-initiated activity	2.1 (e)	3.0	3.4	6.8	5.4	7.3
Assessment	9.4	9.1	1.1	4.1	11.4	14.5 ***
Post-assessment activity	9.4 (e)	2.0	0.1	2.0	6.7	6.5 (f)
Any education or training activity	51.0	25.3	32.7	32.0	33.6	52.4 ***
Sample size	96	99	736	147	149	124

(continued)

TABLE 1.4 (continued)

Sample and Participation Status	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Experimentals who started any GAIN activity (g)						
Participated in (%)						
Job search	25.9	42.1	14.0	63.9	47.8	27.0 ***
Basic education (h)	74.1	52.6	81.9	39.2	52.2	70.3 ***
Self-initiated activity	3.7 (e)	7.9	9.4	10.3	11.6	12.2
Post-assessment activity	16.7 (e)	5.3	0.4	3.1	14.5	10.8 (f)
Any education or training activity	90.7	65.8	90.9	48.5	72.5	87.8 ***
Sample size	54	38	265	98	69	74

SOURCE: MDRC's participant flow sample.

NOTES: Distributions may not add to 100.0 percent because of rounding.

Dashes indicate that data were not available.

A chi-square test was applied to differences among counties. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) A test of statistical significance was not performed.

(b) The deregistration rates for Los Angeles were adjusted upward by dividing by 0.7; a comparison of deregistration records in registrant casefiles and the GEARS system for a randomly selected subsample of 87 registrants revealed that only 7 of 10 deregistrations recorded in the casefiles were also recorded in GEARS.

(c) This estimate is based on a special analysis conducted by Riverside County in consultation with MDRC.

(d) Subcategory percentages may not add to the category percentage because participation in more than one component of basic education was possible.

(e) Alameda registrants already in vocational education at orientation were coded as participating in vocational education instead of in self-initiated vocational education. This policy causes the post-assessment activity percentage, which includes vocational education, to be higher and the self-initiated activity percentage to be lower than if the coding had been consistent with that in the other counties.

(f) A test of statistical significance was not applicable.

(g) This sample includes only those experimentals who ever participated in any GAIN activity, excluding appraisal and assessment.

(h) GED preparation, ABE, and ESL.

Differences between the AFDC-U and AFDC-FG groups were more likely to be found in their use of particular GAIN activities. The AFDC-U group was somewhat more likely than the AFDC-FG group to enter basic education (particularly English as a Second Language) and considerably less likely to be in self-initiated activities. In part, the greater use of basic education by the AFDC-Us reflects their greater likelihood of being determined to need this service, according to GAIN's criteria. Compared to the AFDC-FG sample, the AFDC-U group, which included a higher proportion of Asian refugees, more often had a limited knowledge of English, although other reasons may also have contributed to their higher participation in basic education.

The previous report noted that, at the end of the first year of follow-up, almost half of all experimentals were still registered for the program, suggesting that the use of post-assessment activities may have continued to increase. (See Appendix Tables A.1 and A.3.) Furthermore, many registrants who entered basic education and self-initiated activities were still participating in them when data collection ended.[26] The results point to the importance of longer-term follow-up data on employment, earnings, and welfare receipt – extending beyond the periods covered by the two-year impact findings presented in Chapters 2 and 3 of this report – in order to draw firm conclusions about GAIN's effectiveness.

VIII. Explaining County Variation in Impacts: Some Limitations

Although GAIN is based on a uniform program model that all of California's counties must operate, county administrators have considerable authority to shape the program's day-to-day operating procedures and the "messages" it tries to communicate to welfare recipients (e.g., about work, welfare, and GAIN's participation obligation). As shown in the previous report (and as summarized in Chapter 4 of this report), the GAIN administrators in the six research counties chose to implement the program in very different ways. In part, their decisions reflected their different beliefs about the best ways to institute the GAIN legislation's ongoing participation mandate for welfare recipients and to achieve the program's twin goals of moving registrants into jobs and off welfare.

This variation in implementation strategies provides the evaluation with an opportunity to explore whether some of these alternative approaches produce better participation and impact results

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[26]In Tulare, e.g., 52.4 percent of experimentals participated in an education or training activity within 11 months after orientation, and 38.7 percent of those participants (or 20.3 percent of all experimentals) were still in such activities at the end of that period.

than others. At the same time, it is important to recognize that this type of comparative analysis cannot be of the same level of rigor as the analysis of program impacts *within* each county. This is because registrants were randomly assigned to the experimental and control groups within each county, and not to the different county programs. To answer, with the same level of rigor, the question of how differences in implementation strategies affect impacts would require that sample members be randomly assigned to the various counties' programs (or to different types of treatment, as was done for the Riverside case management experiment). Only in that way would it be possible to link with certainty any variation in impacts to those approaches rather than to other conditions that distinguish the programs.

In the absence of such a design, county comparisons must be interpreted cautiously or they can lead to misleading conclusions about "what practices work best."[27] In particular, judgments must be made about the possible influence of a whole host of factors that can affect a county's impacts before drawing any inferences about the role of any specific implementation practices. These include various characteristics of the local community in which the program is operated, and the types of individuals the program serves.

With these limitations clearly recognized, the present report will offer, in Chapter 4, an update of the previous report's analysis of whether implementation strategies influenced the counties' impacts. Although it draws upon some additional data and analytical strategies, it is still considered preliminary. This is partly because two years of follow-up is still too short a period of time for judging a program's full effects. Some approaches that appear to be the most effective in the short run may not be the most effective in the longer run. Longer-run results are especially important to consider when judging programs that, like GAIN, make a substantial investment in education and training, the payoff of which may not be evident in the short run. Thus, any conclusions about the relative merits of different approaches should be drawn cautiously when only two-year results are available. The evaluation's final report will return to this issue, focusing on longer-term impact results and more comprehensive analyses.

The examination of possible links between implementation factors and program impacts is also considered preliminary because some crucial information will be available only in future reports. This includes data on the extent to which members of the control group got job search, education, and training on their own, which is being obtained from a special survey of GAIN registrants –

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[27]For further discussion of this issue in the context of an evaluation of a youth employment program, see Cave and Doolittle, 1991.

information that is particularly important in comparing impacts across counties. For example, some counties may have had smaller impacts partly because their control groups were more likely to receive non-GAIN services on their own initiative (thereby decreasing the difference in services – and presumably outcomes – of the experimental and control groups).

Future reports will include, too, information on GAIN's effects on educational outcomes (based on information collected as part of the registrant survey) and data on the characteristics of the instruction received by basic education participants. Later reports will also present estimates of the cost of GAIN and non-GAIN (control group) services, which is essential for judging the merits of alternative implementation approaches.

IX. An Overview of This Report

The next two chapters (Chapters 2 and 3) discuss the two-year impacts of the GAIN "treatment" on registrants' employment, earnings, and welfare receipt. Chapter 2 presents results for the AFDC-FG group (the single parents), while Chapter 3 concentrates on the AFDC-U group (the heads of two-parent families). Past studies, including the report on GAIN's first-year impacts, have shown that these two groups tend to have different patterns of labor market and welfare behavior, which produce different patterns of impacts from welfare-to-work programs.[28]

The report concludes, in Chapter 4, with an assessment of how differences in the counties' GAIN registrants, local labor markets, and strategies for implementing GAIN might be associated with differences in their two-year impacts. It also discusses how the interpretation of these relationships might change once additional follow-up data on impacts become available and other important information, such as the extent to which the control group received non-GAIN services, can be examined.

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[28]See, e.g., Gueron and Pauly, 1991.

CHAPTER 2

TWO-YEAR IMPACTS FOR SINGLE-PARENT (AFDC-FG) REGISTRANTS

The next two chapters present the effects, or impacts, of GAIN on employment, earnings, welfare receipt, and welfare payments for AFDC-FG (Chapter 2) and AFDC-U (Chapter 3) registrants. The analysis covers the first two years after each registrant attended a GAIN orientation. It includes summary measures for the entire two-year follow-up period, separate estimates for years 1 and 2, and quarter-by-quarter estimates. Impact trends through the final quarter of year 2, and through even later quarters for early cohorts of program registrants, may indicate whether GAIN is likely to produce future impacts.

I. A Summary of the Findings on Earnings and Welfare Savings for AFDC-FGs

GAIN's impacts on AFDC-FGs grew from the first to the second year of follow-up. Averaged across the six counties, with each county given equal weight, the earnings impact was $266 per experimental during year 1.[1] The impact nearly doubled, to $519, the following year, for a two-year total of $785 per experimental.[2] Average welfare savings also increased from year 1 to year 2, although less dramatically: from $283 to $347, for a two-year total of $630 per experimental. The magnitude of GAIN's earnings impacts compares favorably with the second-year results for a group of previously studied demonstration programs, and the AFDC impacts compare very favorably.[3] All

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[1]Impact estimates for year 1 may differ slightly from those presented in the previous (1992) report owing to updating of some earnings and AFDC records data.

[2]Throughout the impact analysis, rounding may cause slight discrepancies in calculating sums and differences.

[3]Evaluations of five welfare-to-work demonstration programs that, like GAIN, aimed for broad coverage of the eligible caseload showed increased earnings gains from year 1 to year 2 and, in three cases, increased welfare savings as well (though these were not as large as the increases in earnings gains). For a summary of these earlier results, see Gueron and Pauly, 1991. Section III of this chapter expands upon this comparison.

The term "broad-coverage" denotes a program that aims to reach everyone in a particular target group (e.g., all single parents with children older than a specified age). Broad-coverage programs contrast with approaches that select out from the target group only certain individuals to work with, with selection criteria usually based on subjective assessments of ability and motivation. Broad-coverage programs have, in the past, been large-scale or suitable for large-scale implementation, have mostly been mandatory, and have combined several activities and administrative procedures in a complete welfare-to-work "system." Selective or, more formally, "selective-voluntary" programs have been tested experimentally only as single activities that are pieces of larger systems, only at small scale, and, as the name implies, only with voluntary participation. Comparisons of impact results across the two categories are hazardous, and this report's contextual frame for GAIN includes

(continued...)

of these impacts were statistically significant.[4]

Earnings impacts grew in each of the six counties. The largest two-year impacts were found in Riverside: $2,099 per experimental ($920 in year 1 and $1,179 in year 2), or 55 percent above the control group average. This dollar figure is more than twice the size of the largest two-year impact previously estimated in an experimental evaluation of a broadly targeted welfare-to-work program. Alameda, Butte, and San Diego had middle-level two-year earnings impacts: $733 to $1,058 per experimental, or 20 to 26 percent above the control group average. In each of these counties, the earnings impact doubled during the second year of follow-up, bringing their results closer to Riverside's. Finally, in Los Angeles and Tulare, earnings impacts grew slightly more positive over time – from a small loss in year 1 to a small gain in year 2 – but experimentals realized no notable earnings gain overall during the two-year follow-up period.

The pattern of welfare savings was somewhat different. Again, the largest two-year impacts were in Riverside: a $1,397 reduction in AFDC payments (14 percent of the control group average), split about equally between the two years. These dollar savings were greater than the largest two-year AFDC impacts previously estimated in an experimental evaluation of a broadly targeted welfare-to-work program. Alameda, Butte, and San Diego again form a middle tier, with total AFDC savings over the two years ranging from $411 to $783, or 3 to 7 percent of the control group average; these counties are joined by Los Angeles, with an impact of $729, or 5 percent, per experimental. Welfare savings grew larger in year 2 in Alameda, Los Angeles, and San Diego, but not in Butte. No welfare savings were found in Tulare.

This chapter also addresses the question of whether there were earnings gains and welfare savings for each subgroup. One subgroup of particular interest is registrants who were determined to need basic education, since provision of basic education to those judged to need it is an important GAIN innovation, accounting for a large portion of program expenditures. The analysis found two-year impacts on earnings and AFDC payments for both the "in need" and "not in need" subgroups. In three counties – Alameda, Riverside, and San Diego – two-year earnings gains were larger for those not in need, whereas the opposite was true for Butte. (The other two counties, as noted above, did not have earnings impacts for the two-year follow-up period.) There was no clear tendency for

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[3](...continued)
previous findings for broad-coverage programs only. See Gueron and Pauly, 1991, for a fuller discussion of the distinction between broad-coverage and selective-voluntary programs.

[4]Statistical tests were applied to estimates of program impacts to assess the likelihood that these estimates could, by chance, show an impact when there really was none. An estimate that is "statistically significant" implies a high degree of confidence that the impact is a real program effect and not the result of chance.

welfare savings to be larger for one group than the other.

Longer-term AFDC recipients, another key subgroup, experienced both earnings gains and welfare savings. No definite pattern was found of these impacts being larger or smaller than those for welfare applicants or short-term recipients.

An important question is whether the variation in GAIN's impacts across counties is simply a by-product of the different mix of demographic characteristics in each county, or persist when these factors are held constant. This issue is explored in Chapter 4. However, in advance of that chapter, it should be noted that the overall pattern of county differences in impacts appears not to be explained simply by differences in the background characteristics of their GAIN research samples. County differences are more likely to reflect such factors as the effects of different strategies for implementing GAIN and the influence of different labor markets.

The two-year impact estimates presented in this chapter do not capture all the impacts of GAIN. On the basis of past research, experimental-control differences in earnings and AFDC payments may be expected to continue into year 3 and perhaps beyond. And, indeed, analysis of extended follow-up data available for a group of early GAIN sample entrants suggests that impacts will, by and large, continue. Also, it should be noted that some experimental sample members were still participating in GAIN's activities in year 2, as discussed in Chapter 1. Furthermore, some preliminary data from the GAIN registrant survey indicates that even at the *end* of year 2, a considerable proportion of experimentals (over 20 percent in some counties) were participating in education, training, or other GAIN activities.[5] Positive impacts for these experimentals may not begin while they are still in GAIN and may therefore not appear until after year 2.

II. Analysis Issues

This impact analysis asks two basic questions. First, "What were the rates of employment and welfare receipt and the average earnings and welfare payments for individuals registered in GAIN?" The question is readily answered by observing the behavior of any representative sample of individuals eligible for GAIN's services and subject to GAIN's participation requirements. In this study, the experimental group provides estimates of outcomes for individuals in GAIN. Second, "How different would the outcomes have been if there had been no GAIN program?" This question is much more difficult to answer because the behavior of GAIN registrants cannot be observed in the

[5]These estimates are derived from a preliminary analysis of responses to the GAIN registrant survey in Alameda, Riverside, San Diego, and Tulare.

absence of GAIN. However, it is possible to observe the behavior of control groups that are similar in all respects to experimentals except that they were not eligible for GAIN. For each GAIN county, the differences between average outcomes for the experimental group and average outcomes for the control group are the estimated GAIN impacts for the county. For as long as the controls remain ineligible for GAIN, the experimental-control comparison yields a valid estimate of the program's impact. In the GAIN evaluation, controls are not eligible for GAIN for three years, beginning with the date of an individual's random assignment to the experimental or control group; in the subsequent two years, the counties were not to recruit or give special preference to serving controls. The two-year follow-up analyzed in this report falls within this five-year period. In the present analysis, outcome differences between experimentals and controls were considered statistically significant if there were no more than a 10 percent probability that the measured differences could have been produced by chance and not as a result of GAIN.

The random assignment research design constitutes a simple yet powerful solution to the problem of estimating program impacts in an unbiased manner. To follow the experimental design faithfully, however, requires that comparisons between experimentals and controls closely adhere to certain protocols. In particular, all persons randomly assigned must be included in the impact calculations in order for the resulting impact estimates to be unbiased. This means, first, that *all* controls must be compared with *all* experimentals. Both GAIN nonparticipants and participants must be retained in the experimental samples. This, in turn, implies that impact estimates must be reported as impacts "per experimental" and not, as is often the case with other kinds of evaluations, as impacts "per participant." The "per-experimental" basis is especially suited for studying mandatory programs such as GAIN. The very existence of a requirement to participate may itself produce effects, perhaps prompting some program registrants to avoid having to participate by finding a job on their own or by leaving welfare. In addition, those nonparticipants who did not comply with program requirements may have been sanctioned with an AFDC grant reduction, which represents a real reduction in welfare. Such effects, which would be part of the true impact of the program, would not be captured by impact estimates calculated for participants only. They can be counted correctly only if nonparticipants are included in the calculations along with GAIN participants.

Including all research sample members in the impact calculations means that estimates of average earnings and average AFDC payments must be interpreted carefully. It means, for example, that estimates of average earnings per experimental necessarily will include zero dollar amounts for sample members who were not employed during the period involved. Similarly, estimates of average AFDC payments will include zero dollar amounts for sample members who were not on welfare (i.e.,

during the period in question). To the extent that the program converts nonearners to earners, or encourages welfare recipients to leave welfare, excluding the zero values from the experimental and control averages would obviously lead to a serious underestimation of program impacts.

The per-experimental basis encompasses only those persons who attended a GAIN orientation and were randomly assigned. It does not capture possible impacts on individuals who were referred to GAIN but never showed up for an orientation. Some of these individuals may have been sanctioned, while others may have left welfare or found a job specifically to avoid GAIN. Because these individuals were not included in the research samples for the current study, any impacts they might have felt will not be counted. The two-year impact estimates presented in this chapter and the next may therefore slightly underestimate the full impact of GAIN.

Random assignment at GAIN orientation presents difficulties for comparing impact estimates for GAIN with those for other program evaluations where the point of random assignment was located at a different stage of the intake process. In particular, for evaluations in which random assignment is performed at the point where individuals are first referred to the welfare-to-work program, the research sample may represent a larger share of the eligible caseload than in studies that place it at the later stage, which some referred individuals do not reach (e.g., because they leave welfare in the meantime). In addition, certain aspects of random assignment at referral may tend to raise, and others to reduce, the amount of program impact accruing to the research sample. On the one hand, the impact estimates will capture any effects – e.g., from sanctions – occurring between referral and orientation. On the other hand, impact estimates will be diluted by the presence in the sample of some welfare applicants who turn out to be ineligible for AFDC, whose applications are never approved, and who therefore are not obliged to show up at orientation. These applicants experience no impact from the welfare-to-work program.

Within GAIN, differences in targeting complicate comparisons across counties. Targeting differences create differences in the characteristics of sample members across counties. In addition, in counties with narrow targeting plans, GAIN registrants (and the research samples) will represent a smaller share of the overall AFDC caseload than in counties that target more broadly. For example, in Alameda and Los Angeles, which served only long-term AFDC recipients, the research samples will include, on average, individuals with greater skills deficits and employment barriers than elsewhere. The impact estimates in these two counties may not apply to other portions of their caseload.

Four main kinds of outcomes are examined in this report: employment, earnings, receipt of AFDC (e.g., percent receiving any AFDC in a quarter), and amount of AFDC payments. Earnings

have greater variability across sample members than the other outcomes. Impact estimates for earnings will therefore generally be less precise than impact estimates for the other measures. This means, for example, that a given estimate of employment impact may be statistically significant, while its associated estimate of earnings impact is not. In such cases, the employment result increases confidence that there is, in fact, an earnings impact.

Sample sizes available for subgroup analysis pose another problem. Reduced sample sizes decrease the precision of an impact estimate. This means that a particular impact value that was statistically significant in a full county sample may no longer be statistically significant if it appears as the impact estimate for only a portion of the county sample. In addition, a particular numerical impact estimate for a subgroup has a wider range of uncertainty around it than a full-sample estimate. Thus, the magnitude of the subgroup estimates should be interpreted with particular caution.

An additional set of analysis issues concerns the organization of the follow-up data on earnings and AFDC payments and the length of the follow-up period. Unemployment Insurance (UI) earnings data are maintained by calendar quarter periods: January through March, April through June, etc. But sample members were randomly assigned daily. Consequently, the earnings reported for any sample member's "quarter 1," which includes the date of random assignment, will often include some earnings that preceded that person's random assignment. Such pre-program earnings cannot logically be part of the GAIN program's impact. For that reason, quarter 1 is not counted in the summary measures of program impacts presented in this chapter and the next. Thus, for example, follow-up "year 1" will be defined as quarters 2 through 5.

AFDC payments data were available monthly. In order to exactly match the intervals covered by earnings data, AFDC payments were regrouped. This means that for someone randomly assigned in February, quarter 2 is April through June for both earnings and welfare. It also means that year 1 of welfare follow-up is composed of the 12 months from April through March of the subsequent year. This convention implies that any impact on employment or earnings in, say, quarter 3 pertains to exactly the same time period as an impact on welfare in quarter 3. As with earnings, the quarter of random assignment is dropped from summary welfare measures.

UI earnings are maintained by the State of California statewide. AFDC payments are maintained separately by each county. If a sample member moves out of a county, AFDC payments will appear to go to zero in the evaluation data file, even if the individual returns to AFDC in a different county in the state. Earnings data will continue, however, unless the individual leaves the state. For cross-state migrants, both earnings and AFDC payments will appear to go to zero in the evaluation data. There is no expectation that such effects should differ systematically between

experimental and control groups, however. Thus, even though average earnings and average AFDC payments may be somewhat underestimated for experimental and control groups, the *differences* between those averages should not be much affected. Any biases in impacts should be small.[6]

Earnings and AFDC payments data are available in all counties at least through quarter 9. This is the "common" length of follow-up. In Butte, Los Angeles, and Riverside, one additional quarter is available for earnings and two for AFDC payments; in San Diego, data on earnings and AFDC are available through quarter 12. For the full sample in each county, quarterly earnings and AFDC payments have been computed and are shown (in Appendix B) for as many quarters as are available. The discussion will, however, focus on the common follow-up, "year 1" and "year 2" (quarters 2 through 5 and 6 through 9, respectively).

Finally, some discussion of the expected mechanism of program impact is in order. As typically portrayed, welfare-to-work programs have their impacts first on employment and earnings, which in turn lead to reductions in receipt of AFDC and AFDC payments. In practice, the relationship between earnings gains and welfare reductions is far from clear-cut. In some past programs, large earnings gains have been found without welfare reductions. This may come about for several reasons. There may be errors in reports of earnings or administrative lags in AFDC case closure following the start of employment. Earnings gains may accrue mostly to short-term AFDC recipients who would have been off public assistance quickly anyway. Or earnings gains may be concentrated among individuals for whom the gains are larger than the amounts needed to close AFDC cases. In addition, work expense and child care allowances provided for AFDC recipients may offset any increase in earnings, thus allowing those recipients to remain on welfare while working.

Conversely, some welfare reductions have been observed without corresponding earnings gains. Again there may be several contributing factors. Sanctions may produce some welfare impacts without any effect on employment. Contact between welfare-to-work program staff and program registrants may speed the process of case closure for individuals who find work, even if they would have found those same jobs without the program's help. There may also be "deterrent effects" for individuals who leave AFDC to avoid having to participate in the welfare-to-work program but who do not take jobs. In some programs, there may be a real increase in job-finding that leads to an increase in case closure, but the jobs may not last very long and individuals may not return to AFDC right away.

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[6]Earnings not covered by or not reported to the UI system may also result in minor biases of earnings impacts toward zero.

III. A Context for Understanding GAIN's Two-Year AFDC-FG Impacts

For analytical purposes, GAIN may be seen as two programs in one, corresponding to the two tracks for GAIN registrants: one for registrants deemed not to need basic education and one for those deemed to need it. From this perspective, it becomes natural to seek to compare the impact findings for AFDC-FGs in the two GAIN tracks with findings for single-parent registrants in two kinds of broad-coverage welfare-to-work programs evaluated with experimental designs during the 1980s. The first kind comprises low-cost programs consisting primarily of job search activities but often including a work experience activity as well. A second kind of program used job search and work experience but also incorporated some education and training and operated at higher cost. Seven experimental studies of the first kind of program were conducted, and two of the second kind (see Appendix Table B.1).[7] Comparisons across these earlier programs – and between GAIN and these programs – must be made and interpreted with caution because the programs differed in goals, services, degree of enforcement, and local conditions.[8]

Among the low-cost programs, the median two-year earnings impact was about $400 per experimental sample member during the mid-1980s.[9] The median two-year AFDC reduction was $100 per sample member. These programs were generally found to be cost-effective. However, although the programs increased employment and earnings, the pay rates of employed members of the experimental group were typically no greater than those for employed control group sample members and were not sufficient by themselves to lift many families out of poverty. Moreover, earnings gains were not found consistently for the most disadvantaged groups, including long-term AFDC recipients.

The SWIM demonstration in San Diego in the late 1980s illustrates another kind of program, a moderate-cost intervention that, again, began with job search followed by work experience. But SWIM assigned other activities, including education and training, to registrants who did not obtain

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[7]The seven low-cost programs were the two Louisville WIN Laboratory Experiments, the Arkansas WORK Program, the Cook County (Chicago) WIN Demonstration program, the West Virginia Community Work Experience Program (CWEP), the Virginia Employment Services Program (ESP), and the San Diego Employment Preparation Program/Experimental Work Experience Program (EPP/EWEP). The two programs with some education and training were Baltimore Options and the San Diego Saturation Work Initiative Model (SWIM). The experimentally evaluated small-scale programs, such as those in Maine and New Jersey, are not directly comparable to broad-coverage programs such as the nine listed and GAIN. Not only were they small, but they were also voluntary and registered individuals selectively. See Gueron and Pauly, 1991.

[8]See Friedlander and Gueron, 1992; Gueron and Pauly, 1991.

[9]Impact estimates for earlier programs are not inflated to current dollars.

employment during their initial activities. In addition, registrants could find and enroll in education and training on their own and, if SWIM approved, could participate in those activities as substitutes for the regular SWIM activities. During the first two years of follow-up, San Diego SWIM produced total earnings gains of $996 per experimental sample member, $352 in year 1 and $644 in year 2. It should be noted that San Diego SWIM, which was among the most mandatory and heavily sanctioning of the nine comparison programs, achieved the largest welfare savings among them, a two-year total savings of $979 ($419 per experimental in year 1 and $560 in year 2).[10]

In its emphasis on upfront job search, each of these programs bears some similarity to the job-search-first track of GAIN, which is intended for individuals determined not to need basic education. For the education-first track in GAIN, there are no completed experimental studies of similar programs. One exception was the moderate-cost Baltimore Options program, which differed from the others in providing some education or training as an alternative first assignment to job search and work experience. Although GAIN does not permit the same degree of choice, its basic education track has in common with the Baltimore program a significant emphasis on human capital development, which may be expected to take longer to show impacts but which, it is hoped, may produce larger impacts in the long run. Baltimore produced an earnings impact of $140 per experimental sample member in year 1, and this gain nearly tripled, to $401, in year 2. However, Baltimore, which permitted some registrant choice of activity and did not sanction much, achieved no welfare reductions.

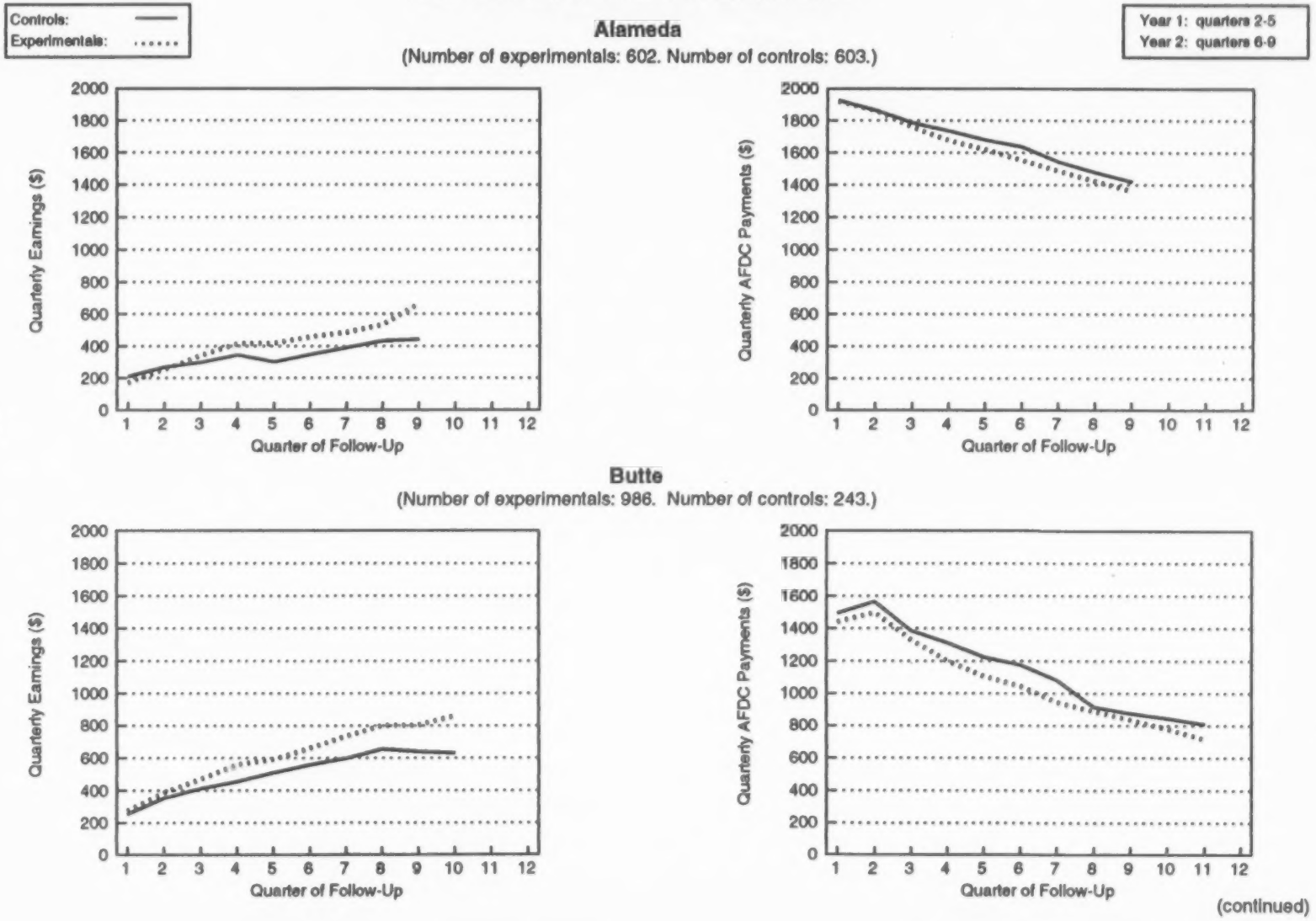
IV. Two-Year Impacts for the Pooled (Six-County) Sample and the Individual Counties

Figure 2.1 presents the trends in average quarterly earnings and average quarterly AFDC payments for the experimental and control samples in each of the six GAIN study counties. Control group averages are shown by a solid line; experimental group averages are shown by a dotted line. These quarterly estimates and other impact estimates for the counties' AFDC-FG samples are shown in detail in Appendix Tables B.2 through B.7. It will be noted that some counties have more than the basic nine quarters of follow-up. In particular, Butte, Los Angeles, and Riverside have 10 quarters of earnings and 11 quarters of AFDC payments; San Diego has 12 quarters of earnings and AFDC payments.

[10]See Friedlander and Hamilton, 1993.

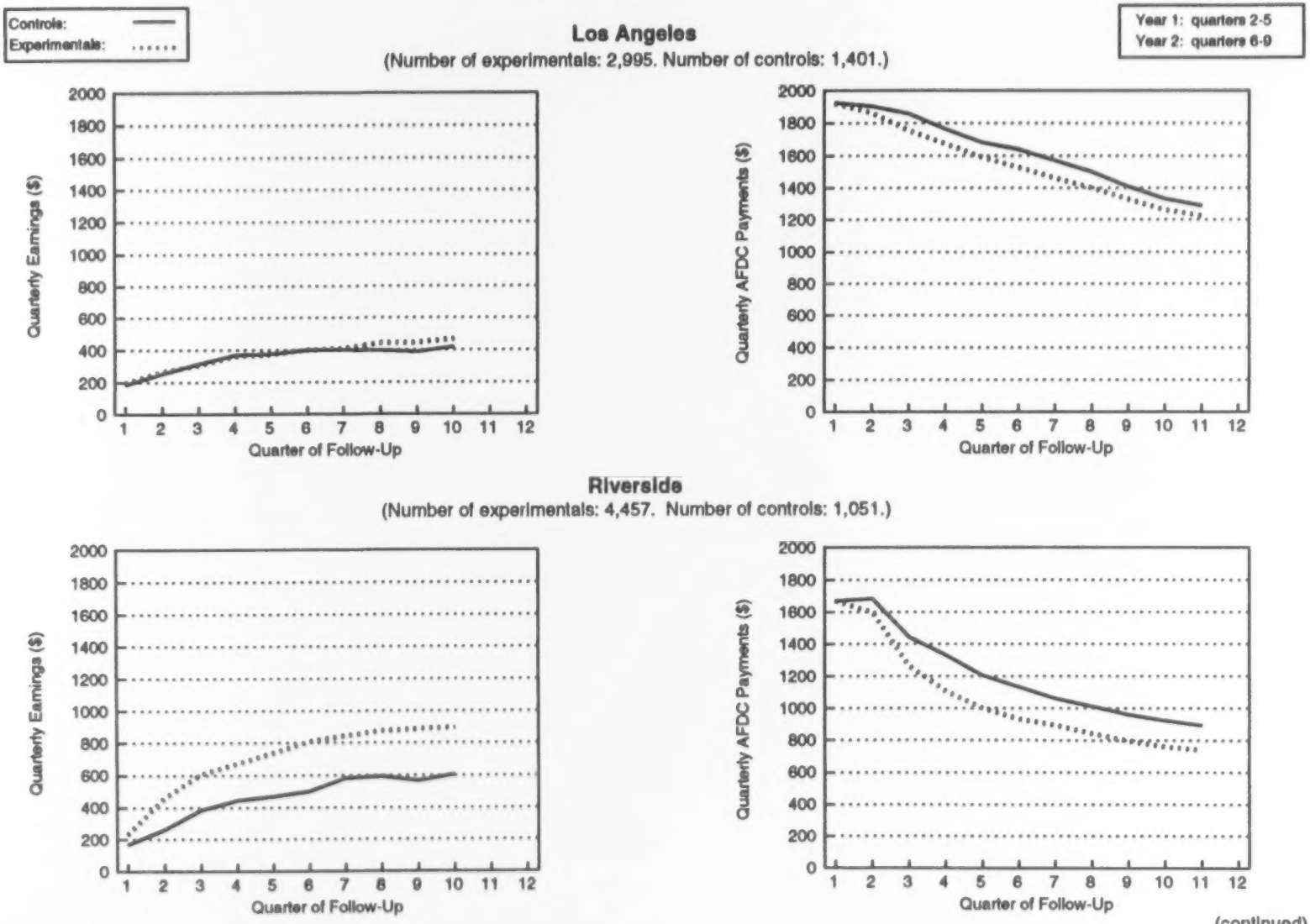
FIGURE 2.1

QUARTERLY EARNINGS AND AFDC PAYMENTS FOR THE FULL SAMPLES OF AFDC-FG REGISTRANTS



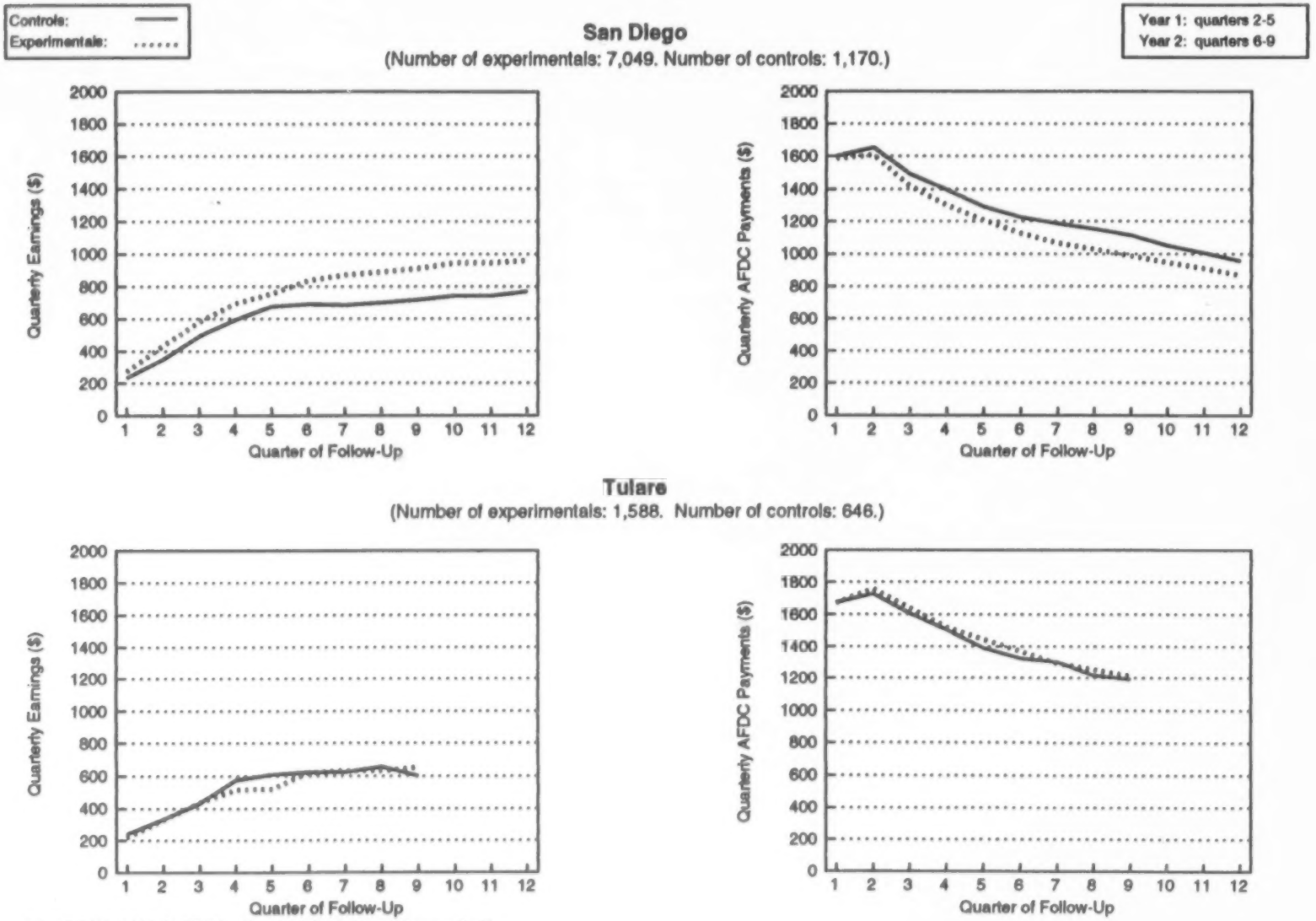
(continued)

FIGURE 2.1 (continued)



(continued)

FIGURE 2.1 (continued)



SOURCES AND NOTES: See Table 2.1 and Appendix B.

A. The Behavior of Controls

The control groups provide benchmarks for the earnings and welfare receipt the research sample would have experienced without GAIN. It is clear from Figure 2.1 that, even without the assistance of GAIN, many controls were active in the labor force. Average earnings for controls increased steadily after the point of random assignment, indicating an increase in job-holding over time, although in four counties average earnings declined slightly at the end of year 2.

A comparison of employment rates for controls in the individual counties illustrates their labor market activity and the differences in the make-up of program samples from county to county. Control group employment rates at the end of year 2 (i.e., in quarter 9) were as follows:

Alameda	18.1	percent	employed
Butte	27.5	"	"
Los Angeles	15.7	"	"
Riverside	24.0	"	"
San Diego	26.4	"	"
Tulare	25.3	"	"

These rates are somewhat below those found in other studies.[11] About one-quarter of the controls in Butte, Riverside, San Diego, and Tulare were employed at the end of year 2. Controls in Alameda and Los Angeles worked at about two-thirds the rate of those in the other four counties. Although control employment rates are partly influenced by labor market conditions, the much lower rates in Alameda and Los Angeles compared to the other four counties reflect important differences in the types of people in the counties' samples. As noted in Chapter 1, Alameda and Los Angeles worked only with long-term AFDC recipients, a group characterized not only by a long history of reliance on AFDC but also by lower rates of recent work experience and lower high school completion rates. Consequently, the control samples in Alameda and Los Angeles quite naturally evidenced lower rates of employment during the follow-up period.

Analogous patterns can be seen for controls with regard to AFDC receipt. The figures show declining AFDC payments after random assignment as more and more controls left welfare. These case closures illustrate the normal process of welfare dynamics, with individuals leaving AFDC because they become married or reconciled, find jobs on their own (perhaps by participating in non-GAIN programs), or lose eligibility because their children "age out" of AFDC. Welfare receipt rates

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[11] In San Diego SWIM, quarter 9 employment among AFDC-FG control group sample members was 29.3 percent; in Baltimore Options, 37.1 percent; in Arkansas WORK, 18.0 percent; and in Virginia ESP, 33.3 percent.

for controls show patterns mirroring the employment patterns in the six counties. In quarter 1 of follow-up, almost all controls received AFDC. By quarter 9, control group AFDC receipt rates had declined to the following levels:

Alameda	77.1	percent	received	AFDC
Butte	47.7	"	"	"
Los Angeles	76.3	"	"	"
Riverside	52.0	"	"	"
San Diego	61.1	"	"	"
Tulare	62.2	"	"	"

Fairly rapid departure from welfare is common in the AFDC population, and has been noted for samples in other studies of welfare-to-work programs.[12] About half of the control groups in Butte and Riverside and 60 percent of controls in San Diego and Tulare were on AFDC at the end of year 2. In Alameda and Los Angeles, however, three of four controls were on welfare at that point. Again, these differences reflect the longer welfare histories of the Alameda and Los Angeles samples.

B. Impacts on Employment, Earnings, AFDC Receipt, and AFDC Payments

The differences between experimentals and controls presented in Figure 2.1 are the estimates of GAIN's impacts on earnings and AFDC payments. These and other numerical estimates of program impacts are also shown in Table 2.1 (and Appendix Tables B.2 through B.7). This table shows year-by-year and summary estimates for the first two years of follow-up (quarters 2 through 9)[13] and estimates for the end of the second follow-up year (quarter 9). Estimates at the end of the second year can indicate whether any impacts should be expected from later follow-up. In prior experimental studies, programs that produced earnings impacts always showed at least some earnings gains by quarter 5, but the maximum impact was often not reached until year 2 or even year 3.[14]

The largest impacts were found in Riverside, and all the impacts for that county were statistically significant. In Riverside, 45.9 percent of controls worked at some time during the first two follow-up years compared to 62.7 percent of experimentals, for a difference, or impact, of 16.7 percentage points. The year 1 impact was 18.1 percentage points, declining in year 2 to 14.0 percentage points.

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[12]In San Diego SWIM, 58.7 percent of the AFDC-FG controls were on AFDC in quarter 9; in Baltimore Options, 56.7 percent; in Arkansas WORK, 44.5 percent; and in Virginia ESP, 43.2 percent.

[13]As noted earlier, quarter 1 (the quarter of random assignment) is omitted in the summary measures because, for some sample members, that quarter may have included earnings and AFDC payments that preceded random assignment.

[14]For example, in the Baltimore Options program, earnings gains were $64 in quarter 5 but more than doubled by the middle of year 2 of follow-up and did not reach a peak until year 3 (Friedlander, 1987).

TABLE 2.1

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS FOR AFDC-FG REGISTRANTS

County and Outcome	Experimentals	Controls	Difference	Percentage Change
Alameda				
Ever employed (%)				
Year 1	30.1	27.3	2.8	10.1%
Year 2	32.8	26.0	6.8 ***	26.3%
Last quarter of year 2	24.5	18.1	6.4 ***	35.3%
Total (years 1 and 2)	42.4	35.3	7.0 ***	19.8%
Average total earnings ($)				
Year 1	1421	1212	209	17.3%
Year 2	2132	1609	524 *	32.5%
Last quarter of year 2	661	440	221 ***	50.3%
Total (years 1 and 2)	3553	2821	733 *	26.0%
Ever received any AFDC payments (%)				
Last quarter of year 1	86.0	89.2	-3.2 *	-3.6%
Last quarter of year 2	76.6	77.1	-0.5	-0.7%
Average total AFDC payments received ($)				
Year 1	6916	7066	-150	-2.1%
Year 2	5816	6076	-260	-4.3%
Last quarter of year 2	1359	1419	-60	-4.2%
Total (years 1 and 2)	12732	13142	-411	-3.1%
Sample size (total = 1205)	602	603		
Butte				
Ever employed (%)				
Year 1	42.3	45.6	-3.3	-7.2%
Year 2	46.2	42.2	3.9	9.3%
Last quarter of year 2	31.9	27.5	4.3	15.7%
Total (years 1 and 2)	55.3	55.7	-0.4	-0.6%
Average total earnings ($)				
Year 1	2001	1729	272	15.7%
Year 2	2996	2442	554	22.7%
Last quarter of year 2	802	638	165	25.9%
Total (years 1 and 2)	4997	4171	826	19.8%
Ever received any AFDC payments (%)				
Last quarter of year 1	65.0	68.4	-3.4	-5.0%
Last quarter of year 2	49.4	47.7	1.7	3.6%
Average total AFDC payments received ($)				
Year 1	5132	5486	-353 *	-6.4%
Year 2	3715	4048	-333	-8.2%
Last quarter of year 2	837	876	-39	-4.5%
Total (years 1 and 2)	8848	9534	-686 *	-7.2%
Sample size (total = 1229)	986	243		

(continued)

TABLE 2.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
Los Angeles				
Ever employed (%)				
Year 1	27.0	24.9	2.1	8.6%
Year 2	26.9	22.7	4.1 ***	18.2%
Last quarter of year 2	19.0	15.7	3.3 ***	21.3%
Total (years 1 and 2)	34.5	30.3	4.2 ***	13.9%
Average total earnings ($)				
Year 1	1304	1308	-4	-0.3%
Year 2	1694	1582	112	7.1%
Last quarter of year 2	447	387	59	15.2%
Total (years 1 and 2)	2998	2890	108	3.7%
Ever received any AFDC payments (%)				
Last quarter of year 1	84.8	88.0	-3.2 ***	-3.6%
Last quarter of year 2	74.0	76.3	-2.4 *	-3.1%
Average total AFDC payments received ($)				
Year 1	6875	7203	-328 ***	-4.6%
Year 2	5711	6112	-401 ***	-6.6%
Last quarter of year 2	1327	1409	-82 ***	-5.8%
Total (years 1 and 2)	12586	13315	-729 ***	-5.5%
Sample size (total = 4396)	2995	1401		
Riverside				
Ever employed (%)				
Year 1	52.1	34.0	18.1 ***	53.0%
Year 2	49.4	35.4	14.0 ***	39.6%
Last quarter of year 2	35.2	24.0	11.2 ***	46.6%
Total (years 1 and 2)	62.7	45.9	16.7 ***	36.5%
Average total earnings ($)				
Year 1	2470	1550	920 ***	59.3%
Year 2	3414	2234	1179 ***	52.8%
Last quarter of year 2	886	566	321 ***	56.7%
Total (years 1 and 2)	5883	3784	2099 ***	55.5%
Ever received any AFDC payments (%)				
Last quarter of year 1	58.7	65.9	-7.2 ***	-10.9%
Last quarter of year 2	46.7	52.0	-5.3 ***	-10.2%
Average total AFDC payments received ($)				
Year 1	4968	5663	-695 ***	-12.3%
Year 2	3461	4162	-701 ***	-16.9%
Last quarter of year 2	794	960	-166 ***	-17.3%
Total (years 1 and 2)	8429	9825	-1397 ***	-14.2%
Sample size (total = 5508)	4457	1051		

(continued)

TABLE 2.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
San Diego				
Ever employed (%)				
Year 1	46.0	40.0	6.0 ***	14.9%
Year 2	45.9	40.8	5.1 ***	12.4%
Last quarter of year 2	32.5	26.4	6.0 ***	22.7%
Total (years 1 and 2)	56.7	51.4	5.3 ***	10.4%
Average total earnings ($)				
Year 1	2462	2113	349 **	16.5%
Year 2	3503	2794	709 ***	25.4%
Last quarter of year 2	910	718	192 ***	26.7%
Total (years 1 and 2)	5965	4906	1058 ***	21.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	69.1	72.1	-3.1 **	-4.3%
Last quarter of year 2	56.0	61.1	-5.1 ***	-8.3%
Average total AFDC payments received ($)				
Year 1	5529	5832	-302 ***	-5.2%
Year 2	4199	4679	-480 ***	-10.3%
Last quarter of year 2	985	1113	-128 ***	-11.5%
Total (years 1 and 2)	9728	10511	-783 ***	-7.4%
Sample size (total = 8219)	7049	1170		
Tulare				
Ever employed (%)				
Year 1	39.9	40.9	-1.0	-2.4%
Year 2	41.8	42.2	-0.4	-1.0%
Last quarter of year 2	28.4	25.3	3.1	12.2%
Total (years 1 and 2)	51.7	51.2	0.5	0.9%
Average total earnings ($)				
Year 1	1792	1941	-149	-7.7%
Year 2	2532	2498	34	1.4%
Last quarter of year 2	652	598	54	9.0%
Total (years 1 and 2)	4324	4439	-115	-2.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	76.7	75.0	1.7	2.3%
Last quarter of year 2	65.4	62.2	3.1	5.0%
Average total AFDC payments received ($)				
Year 1	6363	6231	132	2.1%
Year 2	5120	5027	94	1.9%
Last quarter of year 2	1211	1190	21	1.8%
Total (years 1 and 2)	11484	11258	226	2.0%
Sample size (total = 2234)	1588	646		

(continued)

TABLE 2.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
All counties (a)				
Ever employed (%)				
Year 1	39.6	35.5	4.1 (b)	11.6%
Year 2	40.5	34.9	5.6 (b)	16.0%
Last quarter of year 2	28.6	22.9	5.7 ***	25.0%
Total (years 1 and 2)	50.5	45.0	5.6 (b)	12.4%
Average total earnings ($)				
Year 1	1908	1642	266 ***	16.2%
Year 2	2712	2193	519 ***	23.7%
Last quarter of year 2	726	558	169 (b)	30.2%
Total (years 1 and 2)	4620	3835	785 ***	20.5%
Ever received any AFDC payments (%)				
Last quarter of year 1	73.4	76.4	-3.1 (b)	-4.0%
Last quarter of year 2	61.3	62.7	-1.4	-2.2%
Average total AFDC payments received ($)				
Year 1	5964	6247	-283 ***	-4.5%
Year 2	4670	5017	-347 ***	-6.9%
Last quarter of year 2	1086	1161	-76 (b)	-6.5%
Total (years 1 and 2)	10634	11264	-630 ***	-5.6%
Sample size (total = 22791)	17677	5114		

SOURCES: MDRC calculations from California Unemployment Insurance earnings records and from county AFDC records.

NOTES: The sample for this table consists of individuals who were randomly assigned as follows:

Alameda	July 1989-May 1990
Butte	March 1988-March 1990
Los Angeles	July 1989-March 1990
Riverside	August 1988-March 1990
San Diego	August 1988-September 1989
Tulare	January 1989-June 1990

The sample used to analyze GAIN's impacts is slightly smaller than the full research sample.

Dollar averages include zero values for sample members not employed or not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

For all measures, year 1 refers to follow-up quarters 2-5; year 2, to quarters 6-9. Quarter 1 refers to the calendar quarter in which random assignment occurred. Because quarter 1 may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from the summary measures of follow-up.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) The six counties are weighted equally in these calculations.

(b) A test of statistical significance was not performed.

The employment rate impact was still strong at the end of year 2: In quarter 9, 35.2 percent of experimentals were employed compared to 24.0 percent of controls, a gain of 11.2 percentage points. The two-year earnings gains totaled $2,099 ($920 in year 1 and $1,179 in year 2). The quarter 9 impact, $321, exceeded that of any previous quarter and was followed by a $291 gain in quarter 10 (see Appendix Table B.5), suggesting that additional earnings impacts are likely in future quarters.

AFDC impacts in Riverside were correspondingly large. The average number of months on AFDC during the first two years was 15.12 for controls and 13.74 for experimentals (see Appendix Table B.5). Reductions in welfare receipt of about 5 percentage points occurred as early as quarter 3 and were sustained during each succeeding quarter. AFDC payments during the first two years dropped from $9,825 to $8,429, for a saving of $1,397 per experimental ($695 in year 1 and $701 in year 2), or 14.2 percent of the average payments to controls. An impact was still in evidence at the end of the follow-up period ($166 in quarter 9).

Two-year earnings impacts in Alameda, Butte, and San Diego fell in a middle range: between $733 and $1,058. The impact in Butte was not statistically significant, possibly owing to the smaller sample size there. In all three counties, earnings impacts grew by about $300 from year 1 to year 2, a trend that can be seen in Figure 2.1. The experimental-control differential in earnings in Alameda reached $221 by quarter 9 and was statistically significant at that point, suggesting that earnings gains were still growing at the beginning of the third year of follow-up. The quarter 9 earnings impact was $165 (not statistically significant) in Butte and $192 (statistically significant) in San Diego, and the graphs indicate that earnings impacts should continue or, in the case of Butte, even grow in year 3.

Months on AFDC during the first two years decreased slightly in Alameda and Butte, and decreased more in San Diego. As shown in Figure 2.1, the welfare impacts appear to have peaked during year 2 in Alameda and Butte but, possibly, not in San Diego. Total AFDC savings over the two-year period ranged from $411 per experimental in Alameda (not statistically significant) to $686 in Butte and $783 in San Diego, both statistically significant. As a percentage of payments to controls, the savings were 3.1 percent for Alameda, 7.2 percent for Butte, and 7.4 percent for San Diego. As shown in Figure 2.1, welfare savings appear to have peaked in Butte and San Diego during year 2 and then to have declined, a trend that continued into at least part of year 3.

Experimentals in Los Angeles achieved employment gains of about 4 percentage points during the two-year follow-up period, mostly during year 2. However, these gains were accompanied by only a small and not statistically significant increase in average earnings of about $100 over the two years of follow-up. Experimentals earned an extra $50 per quarter (not significant) during quarters 9 and 10. The program in Los Angeles did, however, obtain reductions in months on AFDC (0.72) and

AFDC payments ($729) during the follow-up period. By quarter 9, 2.4 percentage points fewer experimentals than controls were still on AFDC. The savings of $729 per experimental over two years amounted to a decrease of 5.5 percent of the average payment per control. The GAIN program achieved a slightly larger reduction in AFDC during year 2 ($401) than during year 1 ($328). Welfare savings were $82 in quarter 9 and remained statistically significant, but declined slightly thereafter (see Figure 2.1 and Appendix Table B.4).

The program in Tulare produced neither earnings gains nor AFDC savings in the first two years. Employment, earnings, AFDC receipt, and AFDC payments were similar for experimentals and controls on all measures. However, the yearly and quarterly measures in Table 2.1 and Figure 2.1 show movement from small losses toward small gains in employment and earnings by the end of the follow-up period, although none of these differences is statistically significant. It should be recalled that Tulare was the most rural of the counties, had the highest proportion employed in agriculture, and had the highest unemployment rate.

The two-year earnings gains for Riverside and San Diego are associated almost entirely with an increase in employment rather than an increase in earnings per quarter of employment. In other words, experimentals worked more as a result of the program, but the jobs they held paid about as much, on average, as the jobs held by controls, indicating that hourly wages and weekly hours were similar. In Alameda, nearly half the earnings gains were associated with increased earnings per quarter of employment for experimentals; in Butte, half.[15] In the nine studies of welfare-to-work programs cited previously, usually only a small proportion of earnings gains was associated with higher pay rates for experimental group members.

Analogous calculations for AFDC payments indicate that about two-thirds of the two-year welfare savings in Alameda, Los Angeles, Riverside, and San Diego came from fewer months on AFDC. The remainder is associated with reduced average grant amounts per month of welfare receipt for experimentals, possibly the effect of sanctions or an increase in employment while on

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[15]Dividing mean earnings for controls by the mean number of quarters employed (not shown in Table 2.1) gives average earnings per quarter employed for controls. Multiplying this figure by the impact on number of quarters of employment (also not shown in the table) tells what the impact on earnings would have been if employed experimentals earned, on average, the same as employed controls. In Riverside, this figure is 95 percent of the estimated impact on two-year earnings, and in San Diego, 82 percent. In Alameda, it is 58 percent of the estimated impact; in Butte, 48 percent. These calculations provide some basis for inferring that greater earnings for employed experimentals played a larger role in the earnings impacts of the latter two counties than the former, but they are not conclusive evidence.

AFDC.[16] Similar patterns were found in those of the nine comparison studies that obtained welfare reductions. In Butte, for reasons that are not clear, the contribution of reduced months was much smaller.

As shown in Table 2.1, the two-year earnings gains in the six counties ranged from -$115 to +$2,099. There is no one best way to average the results across the six counties. Table 2.2 presents the results of three weighting methods. The first method weights each county's impacts equally and was used in the previous (1992) report on GAIN's impacts and participation patterns. It yields an average earnings increase of $785 and an average AFDC decrease of $630 over the two-year follow-up period. The second method weights the impacts according to the size of each county's GAIN caseload, providing an estimate representing the average impacts of GAIN in the six counties. This method yields an average earnings increase of $777 and an average AFDC decrease of $749 over the two years of follow-up. The third method weights each county's impacts by the number of sample members in the county, which is comparable to pooling all individual observations from all six counties. This method produces slightly higher two-year impact estimates: a gain of $982 in earnings and a savings of $797 in AFDC. As can be seen, the three sets of estimates are quite similar. The present analysis, like the previous report, uses the first method because it is simple and does not emphasize the strong or weak results of any one county. The final page of Table 2.1 shows average estimates, using this equal-weight method.

V. Impacts After the Second Follow-Up Year

Figure 2.2 presents experimental-control differences in earnings and AFDC payments in each quarter of follow-up. The impacts are shown separately for the full sample in each county and for its sample members who were randomly assigned relatively early in each county, i.e., the county's "early cohort." The graphs in Figure 2.2 extend the two-year time frame of Table 2.1 in several ways. First, as in Figure 2.1, for Butte, Los Angeles, and Riverside, one additional quarter (quarter 10) of

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[16]The average monthly payment amount for controls is obtained by dividing the average total dollar amount by the average number of months in which AFDC payments were received. Multiplying this figure by the reduction in months indicates what the total reduction in AFDC payments would have been had average monthly payment amounts been the same for experimentals and controls who remained on welfare. In Riverside, this makes up 64 percent of the estimated reduction in AFDC payments for years 1 and 2. The other figures are 64 percent for Alameda, 17 percent for Butte, 64 percent for Los Angeles, and 77 percent for San Diego. (Tulare did not show AFDC reductions, as noted previously.) The remainder of the impact on two-year AFDC payments may have come from partial grant reductions imposed by sanctions or from part-time employment. Alternatively, the overall reduction in months of receipt may have fallen primarily on cases with above-average monthly grant amounts.

TABLE 2.2

POOLED IMPACTS OF GAIN ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG REGISTRANTS, BY ALTERNATIVE WEIGHTING METHODS

Weighting Method	Earnings Impacts ($)			AFDC Payments Impacts ($)		
	Year 1	Year 2	2-Year Total	Year 1	Year 2	2-Year Total
Equal weighting	266 ***	519 ***	785 ***	-283 ***	-347 ***	-630 ***
By county's GAIN caseload in December 1991	265 ***	513 ***	777 ***	-327 ***	-422 ***	-749 ***
By county's sample size	359 ***	623 ***	982 ***	-354 ***	-433 ***	-797 ***

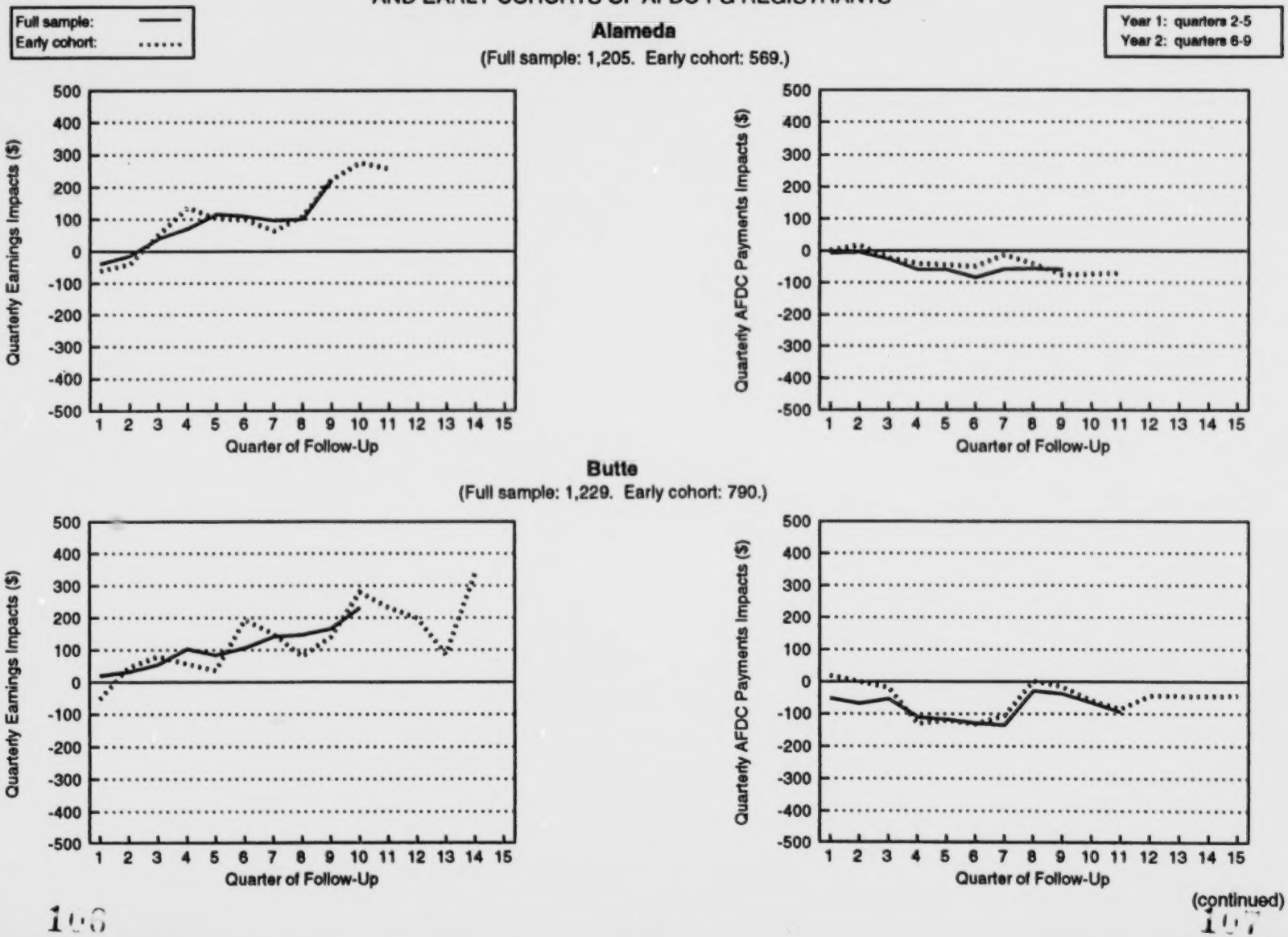
SOURCES: See Tables 1.1 and 2.1.

NOTES: See Table 2.1.

The pooled impacts were computed in the following way. The impact of each county was first multiplied by that county's respective weight. Therefore, each county's impact was multiplied by one for the equal weighting method; by the county's GAIN caseload for the caseload method; and by the county's sample size for the sample size method. For each method, the six products were then summed and divided by the sum of the weights. The significance levels were obtained from t-values calculated by dividing the pooled impact by the pooled standard error. The pooled standard error was calculated by first squaring the standard errors of the individual county impacts multiplied by the county weight. These squares were then summed and the total was divided by the square of the sum of the weights. The square root of this sum yielded the pooled standard error.

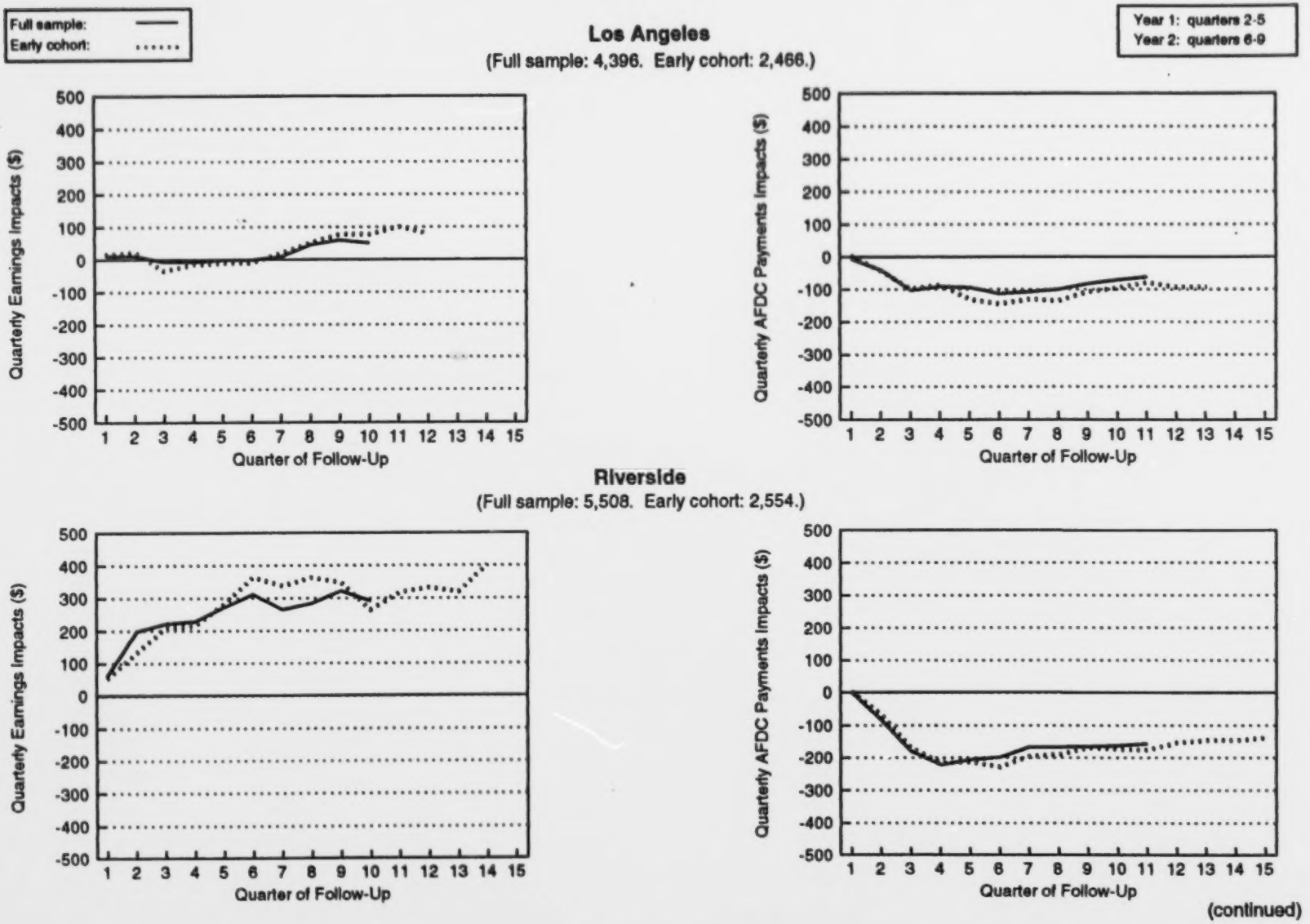
FIGURE 2.2

IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR THE FULL SAMPLES AND EARLY COHORTS OF AFDC-FG REGISTRANTS



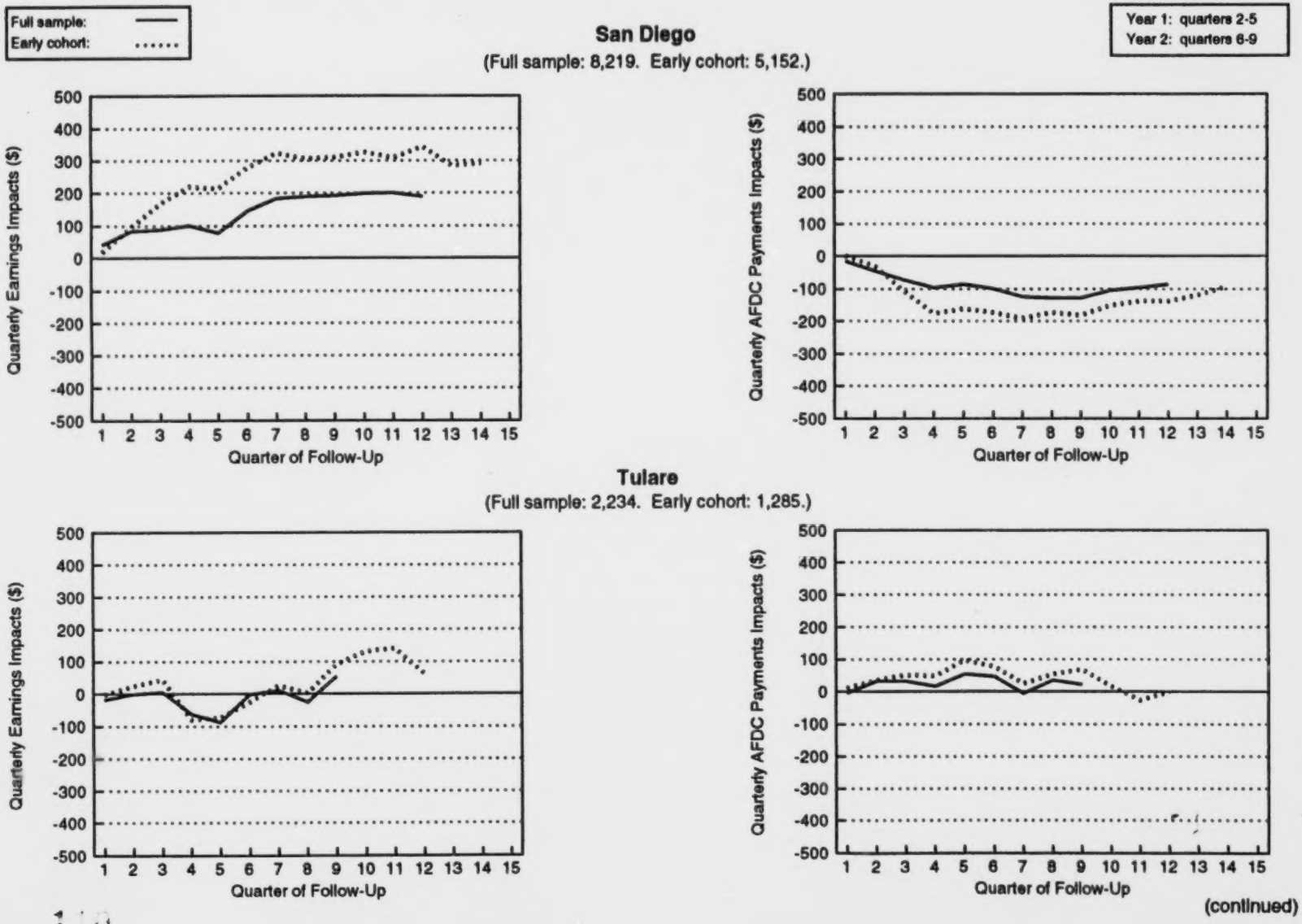
(continued)

FIGURE 2.2 (continued)



(continued)

FIGURE 2.2 (continued)



(continued)

FIGURE 2.2 (continued)

SOURCES AND NOTES: See Table 2.1 and Appendix B. The early cohorts in this figure consist of individuals who were randomly assigned as follows:

Alameda	July 1989-December 1989
Butte	March 1988-March 1989
Los Angeles	July 1989-September 1989
Riverside	August 1988-March 1989
San Diego	August 1988-March 1989
Tulare	January 1989-September 1989

follow-up for earnings and two additional quarters (quarters 10 and 11) for AFDC payments are available for the full samples and are shown in the graphs; in San Diego, three additional quarters (quarters 10 through 12) are shown for both earnings and AFDC payments. Second, the graphs include up to 15 quarters of follow-up data for the early cohorts, thereby showing impact estimates for year 3 (quarters 10 through 13) and part of year 4 (quarters 14 through 17) for a portion of the impact sample in some counties. Third, the graphs illustrate the movement of impacts over time – i.e., increasing, decreasing, or remaining the same – and can thereby aid in the task of projecting impacts into the future. These projections, however, cannot provide the accuracy of actual data for the full sample for all of year 3 and beyond.

Sample sizes for the full samples and early cohorts are shown in Figure 2.2, along with the random assignment dates that define the cohorts. Because samples are smaller for the cohorts than for the full samples, the precision of the cohort impact estimates is less. The early cohorts in Alameda and Butte are the smallest, and the impact estimates in those counties should be considered of somewhat lower reliability relative to the others.[17]

To summarize, the graphs in Figure 2.2 suggest that earnings impacts for the full sample will in all likelihood continue after year 2. If so, then the total earnings impact of GAIN will continue to improve relative to its own two-year earnings impacts. For AFDC impacts, the graphs suggest some tapering off from about the middle of year 2 onward, but the decrease is not sharp, and cumulative AFDC savings for AFDC-FGs appear likely to increase significantly with additional follow-up.

Both Alameda and Butte show steady growth in earnings impacts over time for their full samples. The impacts for their early cohorts look quite similar to those for their full samples through the end of year 2 and may continue growing beyond that point. If so, these counties could, by year 4, approach the $300 quarterly impact level reached by Riverside in year 2. In Riverside, earnings impacts may also be growing in year 3, however. The early cohort earnings impacts grow from quarters 10 through 14, when they reach $400, Riverside's largest quarterly impact. Los Angeles and Tulare show some increase in earnings impacts in year 3 for the early cohorts. These trends do not appear large enough to give these counties sizable total impacts, but they would contribute to an overall upward movement of earnings impacts in the cross-county average.

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[17]The date dividing an early cohort from a late cohort within a county is arbitrary, selected for this analysis without regard to any changes in the program over time. The object in defining cohorts in each county was to maximize the length of follow-up for the early cohort without leaving only a few sample members in it. Cohort dates differ across counties. Early and late cohorts may differ in demographic characteristics or in the labor markets they faced after random assignment. Both of these differences may have contributed to differences in impacts.

San Diego did not show growth in earnings impacts in year 3, in the full sample or the early cohort. Earnings impacts for the full sample did appear to hold steady, without any decline, at about $200 per quarter ($800 per year). Interestingly, the early cohort impacts on earnings and AFDC payments in San Diego are about as large as Riverside's full-sample and early cohort impacts, as shown in Figure 2.2. However, this similarity did not carry over to the later cohorts. In San Diego, impacts for the later cohort were much weaker than those for the early cohort. Thus, in Figure 2.2, the full-sample curves for San Diego are closer to zero than the early cohort curves. The reason for this decline in impacts across cohorts in San Diego is not clear. One possibility is that it represents chance variation. A second possibility is that it is the product of a change over time in the operation of the program or a change in local economic conditions. (See Chapter 4 for a discussion of the change in implementation conditions in San Diego, particularly the increase in the availability of basic education slots over time.) The difference does not appear to arise from a change in the types of people entering the sample in San Diego, since both cohorts were quite similar in terms of the background characteristics measured for this study. Some further results pertaining to early cohorts in San Diego and Riverside are presented in the next section.

AFDC impact curves show similar shapes in all counties except Tulare. Experimental-control differences peak in year 2 (in quarter 4 in Riverside) and then decline gradually. Riverside's AFDC impacts still appear to continue as the largest, even at quarter 14, since neither the full sample nor the early cohort shows a sharp decrease after the peak. The early cohort in Riverside does not differ much from the full sample and is still at about $150 in savings per quarter ($600 per year) at the start of year 4. In contrast, Alameda, Butte, and Los Angeles are all in the $50 to $100 per quarter range ($300 to $400 per year) in year 3. San Diego appears to be moving toward that range by year 4. Tulare shows no evidence of AFDC impacts at any point and does not appear to be moving toward such impacts in future years.

VI. Two-Year Impacts for Subgroups

It is possible that certain types of GAIN registrants may fail to respond to the various services they are offered by GAIN and to the participation requirement, thus affecting the magnitude of the program's impacts. This section begins with an examination of GAIN's impacts on subgroups determined by the program to need or not need basic education and ends by presenting the impacts for subgroups with different AFDC histories. Subgroups are defined using information collected for each sample member *before* the individual was randomly assigned, making it possible to create

subgroups for both experimentals and controls in the same fashion. For this reason, the impacts computed for these subgroups are unbiased experimental estimates.

The number of experimentals and controls in each subgroup will be less than the number in the full-county sample. As with the cohort analysis, this reduction in sample size makes the impact estimates for subgroups less reliable than impact estimates for the full sample. At times, impact amounts that were statistically significant for the full sample will not be statistically significant for a subgroup. In some cases, to be noted as they arise, reliability for a small subgroup may be too low to yield credible impact estimates.

A. Assessed Need for Basic Education

GAIN registrants vary substantially in their educational attainment and work skills, and the GAIN program model explicitly recognizes that different kinds of services might be appropriate for individuals depending on these differences. As previously discussed, one of the most innovative features of GAIN is the allocation of substantial resources to provide basic education to registrants who were judged to need it. It is therefore important to determine whether the subgroups of GAIN registrants who were deemed to need basic education experienced impacts on employment and welfare receipt. Nevertheless, two years of follow-up is too short a time to provide a complete picture of the effects of education, the impacts of which, if any, are expected to build up slowly but may last a long time. Additional data will be available for the next report.

Tables 2.3 and 2.4 present the impacts of GAIN for AFDC-FGs by county, separately for portions of the samples determined by GAIN to need and not to need basic education. GAIN registrants were determined to need basic education if they (1) did not have a high school diploma or GED certificate or (2) scored low on either the reading or mathematics portion of the CASAS test or (3) were not proficient in English.

The *mix* of subgroups differs substantially across counties. Less than half of the AFDC-FG sample in Butte were judged to be in need of basic education. The typical figure in other counties was close to two-thirds; in Los Angeles, it was over 80 percent. For the counties as a group, the preponderance of the in-need subgroup, combined with their somewhat higher average AFDC payments, means that this subgroup accounts for the bulk of all AFDC expenditures that would have been incurred for the GAIN research samples in the absence of GAIN.

Subgroup sample sizes for Tables 2.3 and 2.4 are at times small and yield less precise dollar values for impact estimates in some counties. The least precise dollar amounts are those for both

TABLE 2.3

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG REGISTRANTS DETERMINED NOT TO NEED BASIC EDUCATION

	Average Total Earnings				Average Total AFDC Payments			
County and Year	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda								
Year 1	2094	1422	672 *	47.2%	6518	6519	-1	0.0%
Year 2	3377	2343	1033 *	44.1%	5403	5441	-38	-0.7%
Total	5471	3766	1705 *	45.3%	11921	11960	-38	-0.3%
Sample size (total = 417)	209	208			209	208		
Butte								
Year 1	2320	2166	154	7.1%	5216	4816	400	8.3%
Year 2	3782	3411	371	10.9%	3658	3299	357	10.8%
Total	6102	5578	525	9.4%	8873	8115	757	9.3%
Sample size (total = 629)	502	127			502	127		
Los Angeles								
Year 1	2463	2262	201	8.9%	6189	6881	-692 ***	-10.1%
Year 2	3269	2730	539	19.7%	4985	5780	-795 ***	-13.8%
Total	5732	4992	740	14.8%	11174	12661	-1487 ***	-11.7%
Sample size (total = 853)	581	272			581	272		
Riverside								
Year 1	3304	2104	1200 ***	57.0%	4598	5280	-682 ***	-12.9%
Year 2	4729	3267	1462 ***	44.7%	3061	3751	-690 ***	-18.4%
Total	8033	5371	2662 ***	49.6%	7659	9031	-1372 ***	-15.2%
Sample size (total = 2194)	1768	426			1768	426		
San Diego								
Year 1	3403	2771	632 **	22.8%	4985	5301	-317 **	-6.0%
Year 2	5045	3861	1185 ***	30.7%	3444	4000	-556 ***	-13.9%
Total	8449	6632	1817 ***	27.4%	8429	9301	-873 ***	-9.4%
Sample size (total = 3612)	3080	532			3080	532		
Tulare								
Year 1	2521	3136	-614 *	-19.6%	5853	5522	331	6.0%
Year 2	3994	4152	-158	-3.8%	4469	4256	213	5.0%
Total	6515	7288	-773	-10.6%	10322	9778	544	5.6%
Sample size (total = 780)	552	228			552	228		

SOURCES AND NOTES: See Table 2.1.

TABLE 2.4

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG REGISTRANTS DETERMINED TO NEED BASIC EDUCATION

	Average Total Earnings				Average Total AFDC Payments			
County and Year	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda								
Year 1	1071	1092	-21	-1.9%	7139	7342	-202	-2.8%
Year 2	1466	1227	239	19.5%	6049	6399	-350 *	-5.5%
Total	2537	2319	218	9.4%	13188	13740	-552 *	-4.0%
Sample size (total = 788)	393	395			393	395		
Butte								
Year 1	1686	1179	507 *	43.0%	5039	6243	-1204 ***	-19.3%
Year 2	2214	1243	972 **	78.2%	3770	4898	-1128 ***	-23.0%
Total	3901	2422	1479 **	61.1%	8809	11141	-2332 ***	-20.9%
Sample size (total = 600)	484	116			484	116		
Los Angeles								
Year 1	1031	1066	-35	-3.3%	7036	7290	-253 ***	-3.5%
Year 2	1321	1291	30	2.3%	5883	6197	-314 ***	-5.1%
Total	2352	2357	-5	-0.2%	12919	13486	-567 ***	-4.2%
Sample size (total = 3543)	2414	1129			2414	1129		
Riverside								
Year 1	1919	1181	738 ***	62.5%	5218	5895	-677 ***	-11.5%
Year 2	2549	1527	1022 ***	66.9%	3727	4425	-697 ***	-15.8%
Total	4468	2708	1760 ***	65.0%	8946	10320	-1374 ***	-13.3%
Sample size (total = 3314)	2689	625			2689	625		
San Diego								
Year 1	1719	1645	74	4.5%	5957	6239	-281 **	-4.5%
Year 2	2287	2018	269	13.3%	4790	5215	-426 ***	-8.2%
Total	4005	3663	343	9.4%	10747	11454	-707 ***	-6.2%
Sample size (total = 4607)	3969	638			3969	638		
Tulare								
Year 1	1406	1283	123	9.6%	6641	6603	39	0.6%
Year 2	1759	1583	176	11.2%	5477	5424	52	1.0%
Total	3165	2866	300	10.5%	12118	12027	91	0.8%
Sample size (total = 1454)	1036	418			1036	418		

SOURCES AND NOTES: See Table 2.1.

subgroups in Butte and for the not-in-need subgroup in Alameda.[18]

Impacts on earnings and AFDC payments were found for both education subgroups. Earnings impacts over two years appeared somewhat larger for sample members judged not to need basic education than for those judged to need it. In four counties – Alameda, Los Angeles, Riverside, and San Diego – the dollar amounts of the two-year earnings impacts were larger for the not-in-need subgroup; only in Butte did the in-need subgroup obtain the larger earnings impact. Increases in earnings impacts from year 1 to year 2 were observed for both subgroups, in most of these five counties, with neither subgroup showing a clear advantage. In Tulare, neither group experienced much of an earnings impact.[19]

There was no clear tendency for AFDC impacts to be larger for one group than the other. Numerically, AFDC reductions were larger for the not-in-need subgroup in Los Angeles, but for the in-need subgroups in Alameda and Butte. AFDC impacts were similar for both subgroups in Riverside and San Diego. In these five counties, AFDC impacts did not increase from year 1 to year 2 for either subgroup as much as did earnings impacts. Tulare produced AFDC impacts for neither subgroup.[20]

The finding that San Diego's in-need subgroup had smaller impacts than did this subgroup in Riverside is especially notable given that the two counties had early cohort earnings effects for AFDC-FGs that were quite similar when both education subgroups were combined, as discussed in the previous section. Yet even when the comparison is limited to the in-need subgroup of each county's *early* cohort, Riverside's earnings effects remain larger. For example, in the second year of follow-up, those impacts were $492 in San Diego and $1,071 in Riverside, both statistically significant (not shown in tables). It appears, therefore, that despite the similarity of the overall earnings impacts

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[18]The relative size of impact samples depends in a complex way on the number of experimentals and controls. In classifying subgroups by sample size, an "equivalent control group size for balanced designs" was calculated, which lies between the sizes of the experimental and control groups but is generally less than the average of the sizes of both. Then the standard errors for the summary earnings gains and welfare reductions were examined to determine which equivalent control group sizes yielded quite imprecise estimates. As a result of this examination, subsamples with an equivalent control group size of 100 or less were designated "unreliable"; from 101 up to 250, the subsamples were singled out for mention as being of reduced reliability relative to the other estimates.

[19]The difference in two-year earnings gains across the education subgroups in San Diego was statistically significant at the 5 percent level; the differences in Alameda, Butte, Los Angeles, and Riverside were not statistically significant. The difference in Tulare was also not statistically significant.

[20]With regard to two-year welfare savings, the differences across the two education subgroups in Butte and Los Angeles were both statistically significant, but these differences were not statistically significant in the other counties.

for the early cohorts in San Diego and Riverside, the GAIN programs in the two counties may have affected their two basic education subgroups in different ways.

B. Past Welfare Receipt

One of the most important ways in which GAIN registrants differ is in their prior receipt of AFDC. Evidence from past research indicates that such differences are strongly related to future AFDC receipt: Individuals with a number of years of previous AFDC receipt are more likely to continue on AFDC for several more years than are individuals who have just started receiving AFDC. The former group – long-term recipients – may have a greater *potential* for welfare savings simply because they are likely to remain on longer in the absence of special services. However, long-term recipients often have severe skills deficits and other barriers to employment that GAIN might not be able to overcome. Their greater potential for welfare savings may therefore not be realized in practice. For this reason, it is of considerable interest to calculate actual impacts for subgroups with short and long welfare histories. Impacts for long-term recipients are also of interest because that subgroup is specifically targeted for priority attention by GAIN and JOBS.

There is one other reason for a subgroup analysis by length of welfare history. The counties in this report differ greatly in the manner in which they targeted GAIN services. Alameda and Los Angeles worked exclusively with long-term AFDC recipients; the other counties worked with a mix of short- and long-termers. These cross-county differences in composition of the target groups may have contributed to differences in impacts, and separate impact estimates for long-term recipients may reveal similarities across counties that were not apparent earlier.

Three subgroups were defined for this analysis. The first subgroup consists of sample members who were applying for AFDC at the time they were referred to GAIN. This group will be called "applicants," even though most of its members became AFDC recipients during the follow-up period. The applicant group contains some individuals who had never been on AFDC before and some who were returning to AFDC after a spell off the rolls. On average, however, this group had the shortest AFDC histories. The second group consists of sample members who were receiving AFDC at the time they were referred to GAIN but had a total AFDC history of two years or less. This group will be called "short-term recipients." The third group were also receiving AFDC at the time they were referred to GAIN, but they had more than two years of prior AFDC receipt. This third group will be referred to as "long-term recipients."

Tables 2.5 through 2.7 present results for welfare history subgroups for each county. For Alameda and Los Angeles, because they worked only with long-term recipients, the tables show

TABLE 2.5

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG APPLICANTS

County and Year	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Butte								
Year 1	2419	2290	128	5.6%	4577	4863	-286	-5.9%
Year 2	3518	3177	341	10.7%	3219	3529	-310	-8.8%
Total	5937	5468	469	8.6%	7796	8391	-595	-7.1%
Sample size (total = 739)	596	143			596	143		
Los Angeles (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Riverside								
Year 1	2841	2149	692 ***	32.2%	4335	4825	-490 ***	-10.2%
Year 2	3801	2734	1067 ***	39.0%	2782	3344	-562 ***	-16.8%
Total	6642	4883	1759 ***	36.0%	7117	8169	-1052 ***	-12.9%
Sample size (total = 1687)	1358	329			1358	329		
San Diego								
Year 1	3180	2814	366	13.0%	4653	4961	-308 *	-6.2%
Year 2	4342	3512	830 **	23.6%	3234	3508	-273	-7.8%
Total	7522	6326	1196 *	18.9%	7887	8468	-581 *	-6.9%
Sample size (total = 2301)	1975	326			1975	326		
Tulare								
Year 1	2464	2381	83	3.5%	5129	5155	-26	-0.5%
Year 2	3449	3608	-159	-4.4%	3719	3615	104	2.9%
Total	5913	5989	-75	-1.3%	8849	8771	78	0.9%
Sample size (total = 309)	212	97			212	97		

SOURCES: See Table 2.1.

NOTES: See Table 2.1.
(a) No data on AFDC applicants are included for Alameda and Los Angeles counties because they targeted only long-term recipients for GAIN.

TABLE 2.6

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG SHORT-TERM RECIPIENTS

County and Year	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Butte								
Year 1	1996	1357	638	47.0%	5351	5866	-515	-8.8%
Year 2	2737	1765	972	55.1%	3702	4096	-395	-9.6%
Total	4733	3123	1611	51.6%	9053	9963	-910	-9.1%
Sample size (total = 142)	106	36			106	36		
Los Angeles (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Riverside								
Year 1	2584	1675	910 ***	54.3%	4864	5713	-849 ***	-14.9%
Year 2	3573	2494	1079 ***	43.3%	3336	4063	-727 ***	-17.9%
Total	6157	4169	1988 ***	47.7%	8200	9776	-1576 ***	-16.1%
Sample size (total = 1638)	1327	311			1327	311		
San Diego								
Year 1	2761	2203	558 **	25.3%	5315	5589	-274 *	-4.9%
Year 2	3871	2750	1121 ***	40.7%	3886	4309	-423 **	-9.8%
Total	6631	4953	1678 ***	33.9%	9201	9898	-697 **	-7.0%
Sample size (total = 2532)	2138	394			2138	394		
Tulare								
Year 1	2402	2921	-519	-17.8%	5773	5436	336	6.2%
Year 2	3176	3459	-283	-8.2%	4399	4083	316	7.7%
Total	5578	6380	-802	-12.6%	10171	9519	652	6.8%
Sample size (total = 630)	450	180			450	180		

SOURCES: See Table 2.1.

NOTES: See Table 2.1.
(a) No data on AFDC short-term recipients are included for Alameda and Los Angeles counties because they targeted only long-term recipients for GAIN.

TABLE 2.7

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG LONG-TERM RECIPIENTS

	Average Total Earnings				Average Total AFDC Payments			
County and Year	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	1421	1212	209	17.3%	6918	7068	-150	-2.1%
Year 2	2132	1609	524 *	32.5%	5816	6076	-260	-4.3%
Total	3553	2821	733 *	26.0%	12732	13142	-411	-3.1%
Sample size (total = 1205)	602	603			602	603		
Butte								
Year 1	1139	621	518 *	83.5%	6227	6615	-388	-5.9%
Year 2	2022	1077	945 *	87.8%	4762	5185	-424	-8.2%
Total	3161	1698	1464 **	86.2%	10988	11800	-812	-6.9%
Sample size (total = 348)	284	64			284	64		
Los Angeles (a)								
Year 1	1304	1308	-4	-0.3%	6875	7203	-328 ***	-4.6%
Year 2	1694	1582	112	7.1%	5711	6112	-401 ***	-6.6%
Total	2998	2890	108	3.7%	12586	13315	-729 ***	-5.5%
Sample size (total = 4396)	2995	1401			2995	1401		
Riverside								
Year 1	2090	1018	1072 ***	105.4%	5537	6268	-732 ***	-11.7%
Year 2	3004	1606	1399 ***	87.1%	4075	4893	-818 ***	-16.7%
Total	5094	2623	2471 ***	94.2%	9611	11161	-1550 ***	-13.9%
Sample size (total = 2183)	1772	411			1772	411		
San Diego								
Year 1	1758	1551	207	13.4%	6280	6638	-358 ***	-5.4%
Year 2	2666	2334	332	14.2%	5087	5779	-692 ***	-12.0%
Total	4424	3885	539	13.9%	11367	12417	-1050 ***	-8.5%
Sample size (total = 3386)	2936	450			2936	450		
Tulare								
Year 1	1310	1427	-117	-8.2%	6948	6863	85	1.2%
Year 2	1996	1772	224	12.6%	5797	5844	-46	-0.8%
Total	3306	3200	106	3.3%	12746	12707	39	0.3%
Sample size (total = 1295)	926	369			926	369		

SOURCES: See Table 2.1.

NOTES: See Table 2.1.
(a) Since Alameda and Los Angeles counties targeted only long-term recipients, the data for these counties represent their full AFDC-FG samples.

results only for that subgroup, and these estimates are identical to those shown in Table 2.1 for the full samples in those two counties. In the other counties, splitting the samples into three parts reduces the number of experimentals and controls available for each subgroup impact estimate. The sample is particularly small and yields unreliable estimates for the middle subgroup (i.e., short-term recipients) in Butte. Also of below-average reliability are the dollar amounts of estimates for the top and bottom groups in Butte and the top group in Tulare.[21]

Because applicants who were not approved for AFDC were generally not randomly assigned and did not enter the research samples, there were relatively few applicants in the GAIN samples compared to some earlier studies. Butte had the most applicants, 60 percent. Riverside and San Diego had much lower percentages, Tulare had very few, and Alameda and Los Angeles had none. Across counties, there were large differences in the share of long-term recipients, ranging from a little over one-quarter in Butte, to about 40 percent in Riverside and San Diego, nearly 60 percent in Tulare, and the entire samples in Alameda and Los Angeles.

Welfare history subgroups defined by these objective characteristics do not necessarily behave the same across counties. Of particular interest in this connection are Alameda and Los Angeles, which, as previously noted, focused exclusively on long-term recipients. Los Angeles registered only AFDC recipients who had been on welfare *continuously* for at least three years. Alameda also limited its GAIN caseloads to longer-term welfare recipients, and called into the program first those recipients who had been on AFDC the longest. Control group mean earnings and AFDC payments were quite similar for the samples in Alameda and Los Angeles. At the same time, controls in these two counties received more AFDC payments, on average, than did long-term recipient controls in the other four counties. Their average earnings were sometimes higher and sometimes lower. Consequently, the target groups for Alameda and Los Angeles may have been somewhat more attached to AFDC than were the long-term recipients elsewhere, but it is not clear that they were less employable.

The impact estimates in Tables 2.5 through 2.7 indicate that groups with a long history of welfare receipt can, in fact, experience earnings and AFDC impacts from GAIN. GAIN's impacts on earnings for this group, even though not uniformly strong across all six counties, are of special interest because studies of past welfare-to-work programs, particularly those emphasizing job search and work experience, have not been consistently successful in improving earnings for long-term recipients.

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[21]See note 18 in this chapter.

As already discussed, earnings impacts in Alameda had reached the middle range by year 2, but AFDC impacts were fairly modest. In Los Angeles, earnings impacts were small, but AFDC impacts were in the middle range. In Riverside, the large earnings gains and welfare reductions were obtained for all three welfare history subgroups, and these impacts may even have been slightly larger for the two recipient groups than for applicants. In San Diego, earnings impacts were relatively small for the long-term recipients, but AFDC impacts were relatively large for them. In Butte, the earnings gains and welfare reductions appear to have been concentrated in the two recipient subgroups. In Tulare, the applicant subgroup was small; the two recipient subgroups displayed the general absence of positive impacts in that county.

CHAPTER 3

TWO-YEAR IMPACTS FOR REGISTRANTS WHO WERE HEADS OF TWO-PARENT FAMILIES (AFDC-Us)

Paralleling Chapter 2's analysis regarding single-parent (AFDC-FG) registrants, this chapter presents the two-year impacts of GAIN on the employment, earnings, welfare receipt, and welfare payments of heads of two-parent households (AFDC-Us). Its purpose is two-fold: first, to determine the size of GAIN's impacts for the AFDC-U cases and, second, to see how the counties ranked the magnitude of their impacts for AFDC-Us compared to their results for AFDC-FGs. If the rankings are similar to those found for the AFDC-FGs, it would support the conclusion that impact differences across counties are associated with real county differences in program approach or environment, and are not just the product of serving different types of people.

Analysis issues discussed in the previous chapter are not repeated here. Also, since the AFDC-U sample in Alameda was too small to produce impacts of much reliability, estimates of impacts for Alameda are shown only for the full AFDC-U sample and not for educational need subgroups.[1] Even the full AFDC-U sample for Alameda should not be weighted at all heavily in any assessment of the overall impacts of GAIN for AFDC-Us.

I. A Summary of the Findings on Earnings and Welfare Savings for AFDC-Us

Averaging across five counties (omitting Alameda), and giving each county equal weight, yields two-year earnings gains of $755 per experimental group member and two-year welfare savings of $891. However, earnings gains did not increase in year 2, a pattern different from that for AFDC-FGs. Experimentals in two-parent families earned, on average, $384 more than controls in year 1[2] and $370 in year 2.[3] Welfare savings increased from $422 in year 1 to $469 in year 2. All of these impacts were statistically significant. These results are important because they show earnings effects

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[1]Adjusted control group means for Alameda are, however, shown for the educational need subgroups in the subgroup tables, since these can be useful in drawing conclusions about the relative disadvantagedness of target groups across counties. The impact estimates for welfare history are shown, since long-term recipients are identical to the full sample in Alameda, as they are for AFDC-Fgs.

[2]Impact estimates for year 1 may differ slightly from those presented in the previous (1992) report owing to updating of some earnings and AFDC records data.

[3]As noted in Chapter 2, throughout the impact analysis, rounding may cause slight discrepancies in calculating sums and differences.

for AFDC-Us, a group that has not been studied widely in evaluations of welfare-to-work programs.[4] One county showed a large increase in the earnings impact between years 1 and 2. However, consistent with the limited prior research, the GAIN findings show that the AFDC-U impacts in the other counties began to decline within a two-year follow-up period. Even so, over the entire two-year period, the earnings impacts were moderate to large and statistically significant in three of the five counties (not including Alameda).

As with AFDC-FGs, impacts for AFDC-Us varied considerably by county. GAIN increased earnings in the two-year follow-up in five of the six research counties – Alameda, Butte, Los Angeles, Riverside, and San Diego – although the Alameda and San Diego impacts were modest and not statistically significant. Riverside again had a large two-year impact on earnings, an increase of $1,174 per experimental group sample member. Butte, however, produced a larger earnings impact for AFDC-Us – $1,877 per experimental. Impacts in Los Angeles ($579) and San Diego ($392) were smaller and in Alameda ($254) were smaller still, although the sample size there was too small to allow confidence in the result. Relative to control group mean earnings during the two-year follow-up, the dollar impacts in these five counties represented increases of 6 percent to 36 percent. Tulare showed no evidence of significant earnings impacts during the two-year observation period common to samples in all counties, or thereafter.

Counties also differed in how the experimental-control earnings differential changed over time. In Riverside, which had the largest earnings impacts in year 1, the second-year earnings impact fell to just over half the first-year earnings impact, in part because controls began to "catch up" to experimentals. A large increase in year 2 was, however, observed in Butte. In Butte, and to a lesser extent in Riverside, earnings impacts may continue to accumulate after year 2. In Los Angeles and San Diego, future additions to earnings impacts appear likely to be small.

Reductions in AFDC payments were found in four counties – Butte, Los Angeles, Riverside, and San Diego – although they were not statistically significant in Butte. In Los Angeles, Riverside, and San Diego, two-year welfare savings were larger than earnings gains. Riverside's welfare impacts were the largest: a saving of $1,714 per experimental over the two years, or 16 percent of the average payments to controls. Los Angeles and San Diego were in the middle range at $922 (5 percent) and $1,142 (8 percent), respectively. Tulare produced no AFDC impacts. Alameda did not show evidence of impacts on AFDC payments either, but the sample size was too small to permit confidence in this result.

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[4]For earlier results on AFDC-Us, see Gueron and Pauly, 1991.

In year 2, AFDC impacts rose or remained constant in Butte, Los Angeles, and San Diego. Impacts declined somewhat in Riverside but were the largest for that year among all the counties. Thus, the prospect for accumulating additional AFDC savings after year 2 appears good. The time patterns for Alameda and Tulare do not suggest the appearance of significant AFDC impacts there in the future.

For subgroups, both earnings gains and welfare savings were generally larger for the group assessed as not in need of basic education, a pattern that, at least for earnings gains, was similar to the one found for AFDC-FG registrants. Impact estimates for subgroups defined by recent welfare history indicate that long-term recipients could and did experience impacts from GAIN, with no clear tendency for the impacts to be larger or smaller for them than for the other welfare history subgroups (i.e., applicants and short-term recipients).

II. A Context for Understanding GAIN's Two-Year AFDC-U Impacts

In this report, the FG and U assistance categories are treated separately because they are subject to different program rules and labor market and welfare constraints. As discussed in Chapter 1, rules defining mandatoriness for GAIN prior to the transition to JOBS exempted AFDC-FG case heads with a child under age 6. For this reason, nearly two-thirds of the AFDC-FG caseload at that time was not in the intended target group for the GAIN participation requirement. No such exemption existed for AFDC-U case heads. Thus, except in Alameda and Los Angeles, which worked exclusively with long-term recipients, GAIN targeted virtually the whole of the able-bodied AFDC-U caseload. Impacts reported in this chapter may therefore be more readily translated into impacts on the full AFDC-U caseload (of orientation attenders) than is possible for AFDC-FGs.

The limited number of experimental studies performed for the AFDC-U assistance category makes it difficult to establish a relevant context for understanding the two-year impacts of GAIN on AFDC-Us. Of the nine broad-coverage studies discussed in Chapter 2, only two offered reliable results for AFDC-Us: the San Diego EPP/EWEP evaluation and the San Diego SWIM demonstration.[5] The impact estimates from these experiments will be discussed below, but it is worth considering first some reasons why impacts for AFDC-Us might be different from impacts for AFDC-FGs.

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[5]The Baltimore Options program worked with AFDC-Us, but the AFDC-U sample there was only large enough to give estimates of employment and welfare receipt rates. It was not large enough to provide reliable estimates of the *differences* in rates between experimentals and controls, which constitute estimates of program impacts.

Certain differences between AFDC-FG and AFDC-U registrants may lead to differences in impacts on earnings. Case heads in AFDC-U cases are almost always male and, on average, have greater work experience than AFDC-FG case heads (see Table 1.2). In addition, because there is a second parent present in the household, the need to care for children does not generally interfere with AFDC-U employment, as it can for AFDC-FGs.

Other differences between AFDC-FGs and AFDC-Us may tend to produce differences in welfare impacts. AFDC-U cases generally receive larger monthly AFDC payments than AFDC-FG cases because two parents rather than one are figured into the grant amount. AFDC-Us are, however, subject to tighter AFDC eligibility requirements and, for part of the follow-up period, faced more stringent penalties for noncooperation with GAIN. According to regulations in effect during the research period, eligibility for AFDC-U terminated when the case head worked more than 100 hours in a month, regardless of the amount of earnings.[6] In GAIN, prior to JOBS, a sanction closed the AFDC-U case entirely and terminated payments completely, whereas it reduced the monthly grant for AFDC-FG registrants. Under JOBS (as of July 1989), sanction penalties for AFDC-U registrants are the same as for AFDC-FG registrants. Reductions in AFDC payments were found for AFDC-Us in both prior experiments, which operated under the tighter, pre-JOBS rules.

In the evaluation of the job search and work experience program in San Diego in the mid-1980s (i.e., the EPP/EWEP evaluation), follow-up lasted through quarter 6 only. First-year earnings gains were about $150 per experimental.[7] First-year welfare savings were $375. The experimental-control differential for both earnings gains and, to a lesser extent, welfare savings showed substantial decrease by the middle of year 2, however. It should be noted that, as expected, the ratio of welfare savings to earnings gains in this study was higher for AFDC-Us than for AFDC-FGs.[8]

More recently, the San Diego SWIM demonstration yielded first-year earnings gains and welfare savings of $500 and $400, respectively. Earnings effects appear to have persisted at this level through year 2 at least, and welfare impacts appear to have grown to $550 in year 2. As indicated in Chapter 2, the San Diego SWIM program model was somewhat similar to the GAIN job-search-first track. Again, the ratio of two-year welfare savings to two-year earnings gains was higher for AFDC-Us than for AFDC-FGs.[9]

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[6]In Riverside, the 100-hour rule was suspended beginning January 1, 1991. Whether this change influenced the trend in Riverside's impacts on AFDC-Us is uncertain.

[7]Impact estimates for earlier programs are not inflated to current dollars.

[8]This San Diego experiment had a second experimental group, which received only job search. For this group, first-year earnings gains were $400 and welfare savings were $300, and both showed the same pattern of sharp decline going into year 2.

[9]See Friedlander and Hamilton, 1993.

For AFDC-Us, there are no prior experimental studies of broad-coverage programs incorporating education and training as possible initial assigned activities. Thus, past experimental experience does not provide much guidance on what to expect from the education track in GAIN.

III. Two-Year Impacts for the Pooled (Six-County) Sample and the Individual Counties

Figure 3.1 presents average quarterly earnings and average quarterly AFDC payments for the experimental and control samples in the six counties.[10] Control group averages are shown by a solid line; experimental group averages are shown by a dotted line. These quarterly estimates and other impact estimates for the AFDC-U GAIN county samples are shown in detail in Appendix Tables C.1 through C.6.

A. The Behavior of Controls

The AFDC-U program is often thought of as a program mainly of short-term assistance. Eligibility for AFDC-U requires that the primary earner in a family must have had some recent labor force attachment. In comparison to AFDC-FG controls, AFDC-U controls (except in Alameda) usually did find jobs more readily during the follow-up period, but the differences were not as large as might be expected. Control group employment rates for AFDC-U samples at the end of year 2 (i.e., in quarter 9) were as follows:

Alameda	16.7	percent	employed
Butte	29.3	"	"
Los Angeles	22.2	"	"
Riverside	29.4	"	"
San Diego	33.0	"	"
Tulare	30.7	"	"

There is greater cross-county variation in these employment rates than there is for AFDC-FGs. For all counties, but especially for Alameda and Los Angeles, these rates are lower than those found in prior research.[11] As with AFDC-FG controls, the lower rates in Alameda and Los Angeles reflect the policy of those two counties to work with long-term recipients; they probably owe little to labor market conditions in those counties.

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[10]As in Chapter 2, the full sample in some counties has more than nine quarters of follow-up.

[11]The most relevant comparisons are with AFDC-Us in the San Diego SWIM demonstration sample, where the employed rate for controls at quarter 9 was 37.2 percent. A much smaller sample of AFDC-Us in the Baltimore Options program evaluation – a sample, as noted earlier, that was not large enough to provide impact estimates – was tracked through quarter 5, at which point their employment rate was 52.8 percent.

FIGURE 3.1

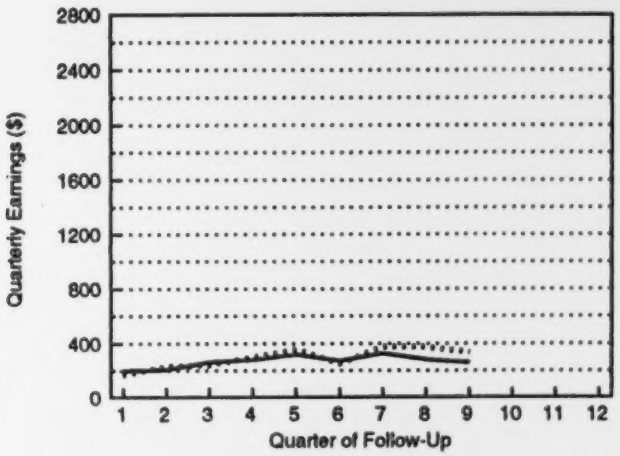
QUARTERLY EARNINGS AND AFDC PAYMENTS FOR THE FULL SAMPLES OF AFDC-U REGISTRANTS

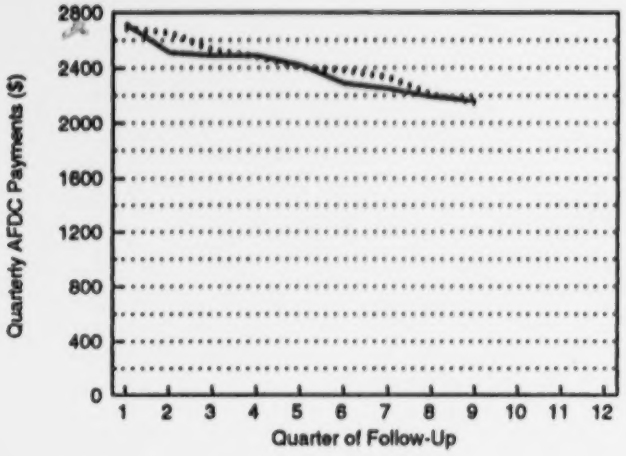
Controls: ——
Experimentals: .....

Year 1: quarters 2-5
Year 2: quarters 6-9

Alameda

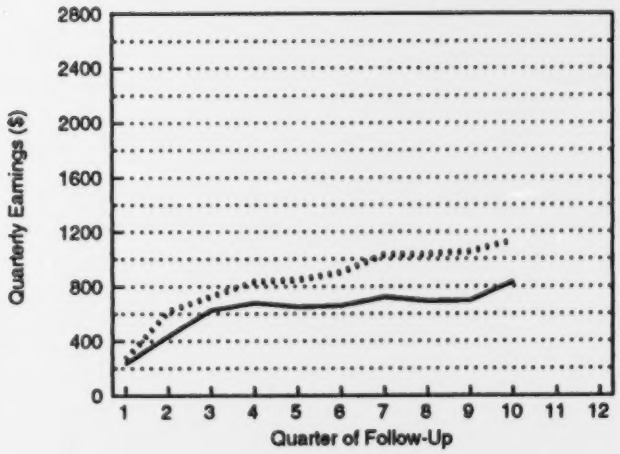
(Number of experimentals: 96. Number of controls: 86.)

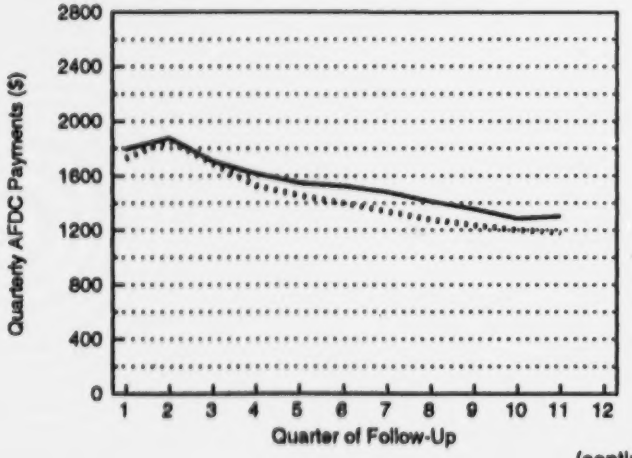




Butte

(Number of experimentals: 780. Number of controls: 226.)





(continued)

FIGURE 3.1 (continued)

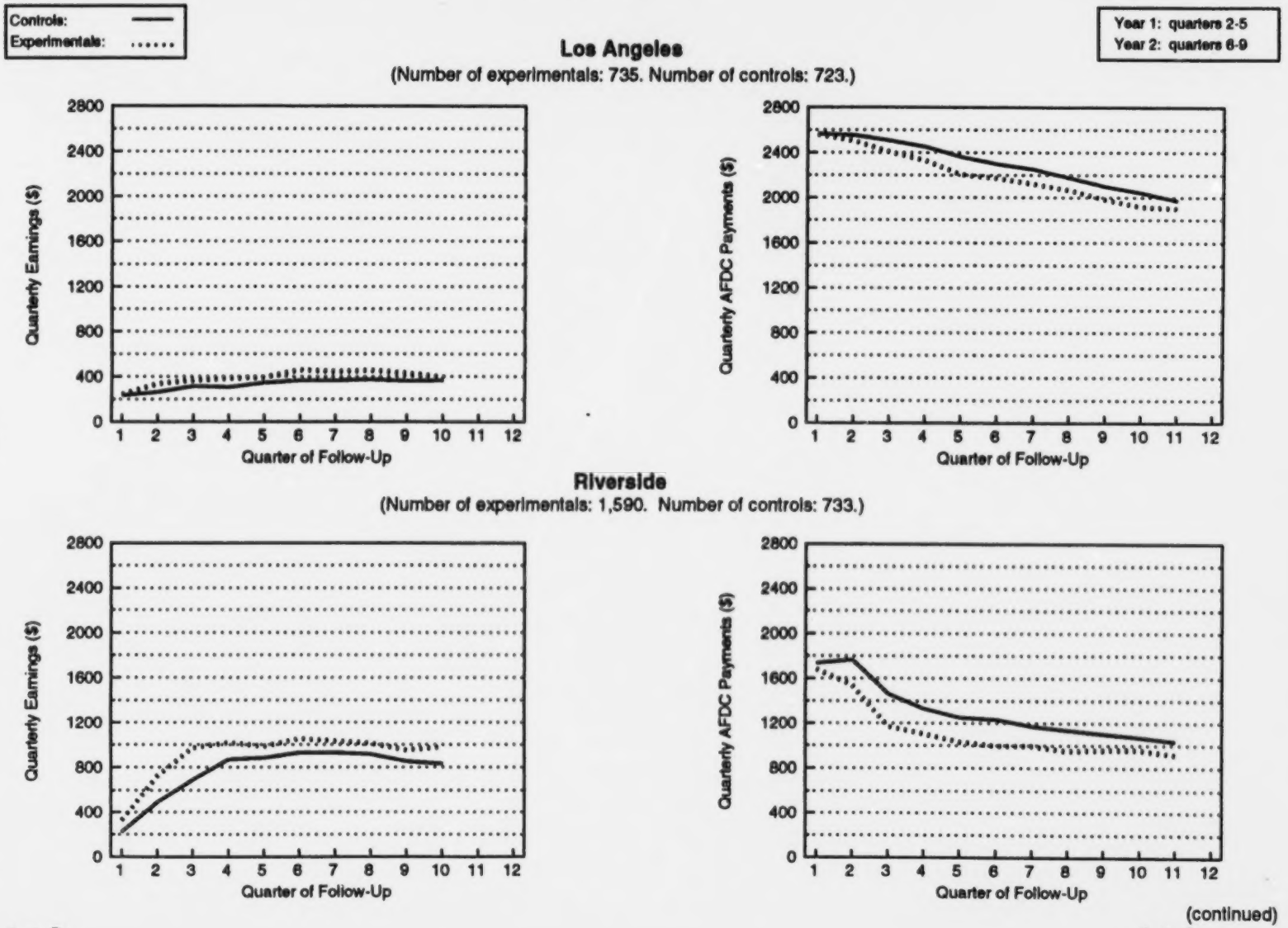


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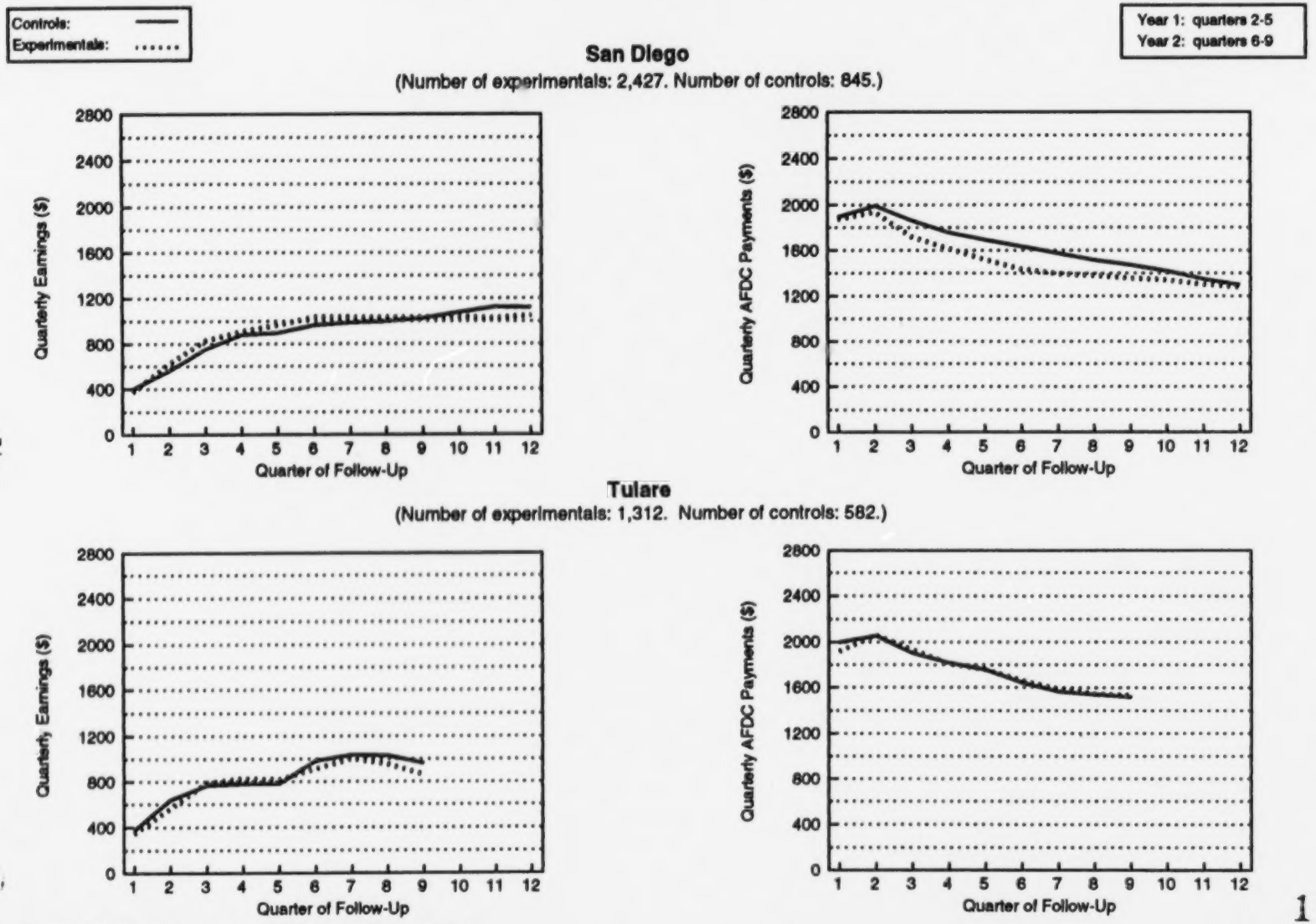
FIGURE 3.1 (continued)



SOURCES AND NOTES: See Table 3.1 and Appendix C.

Rates of welfare receipt among AFDC-U controls show the typical pattern of departure from AFDC, but a substantial number remained on public assistance at the end of the second follow-up year. By quarter 9, AFDC receipt rates were as follows:

Alameda	85.2	percent	received	AFDC
Butte	57.6	"	"	"
Los Angeles	85.3	"	"	"
Riverside	49.5	"	"	"
San Diego	64.0	"	"	"
Tulare	65.3	"	"	"

As was the case for employment, there was considerable variation across counties. Surprisingly, with only one exception (Riverside), the rate in each county exceeded the corresponding rate for that county's AFDC-FG sample. Again, rates for Alameda and Los Angeles were greater than elsewhere, owing to the fact that they worked exclusively with long-term recipients.[12]

B. Impacts on Employment, Earnings, AFDC Receipt, and AFDC Payments

The difference between experimentals and controls presented in Figure 3.1 is the estimate of GAIN's impacts on earnings and AFDC payments. These and other numerical estimates of program impacts are shown in Table 3.1 (and Appendix Tables C.1 through C.6.) This table shows year-by-year and summary estimates for the first two years (i.e., quarters 2 through 9)[13] and estimates for the end of the second follow-up year (quarter 9). Estimates at the end of year 2 are particularly important for the AFDC-U samples because some prior experimental research on them has shown substantial narrowing of any experimental-control difference in earnings by that time.[14]

As was the case for AFDC-FGs, large impacts were found in Riverside. In that county, 65.4 percent of experimentals worked at some time during the first two years. The corresponding rate for controls was 57.0 percent, for a difference, or impact, of 8.4 percentage points. By year 2, however, the employment impact had declined somewhat. The rates for both experimentals and controls were

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[12]The AFDC receipt rate for AFDC-Us in the SWIM study – the most relevant comparison available – was 50.5 percent in quarter 9. In the Baltimore Options evaluation, the rate was 39.5 percent as early as quarter 5.

[13]Again, quarter 1 (the quarter of random assignment) is omitted in the summary measures because, for some sample members, that quarter may have included earnings and AFDC payments that preceded random assignment.

[14]In the San Diego EPP/EWEP study, the quarterly impact on earnings for AFDC-Us declined during the first follow-up year from a peak in quarter 2 in the range of $125 to $150 quarterly earnings per experimental to around $10 in quarter 6. In San Diego SWIM, in contrast, first-year earnings impacts held up at least through year 2. The AFDC-U sample for Baltimore Options was too small for reliable computation of impacts, as previously noted.

TABLE 3.1

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS FOR AFDC-U REGISTRANTS

County and Outcome	Experimentals	Controls	Difference	Percentage Change
Alameda				
Ever employed (%)				
Year 1	29.8	20.2	9.6 *	47.3%
Year 2	27.6	20.4	7.2	35.4%
Last quarter of year 2	19.4	16.7	2.7	16.1%
Total (years 1 and 2)	37.3	23.5	13.8 **	58.5%
Average total earnings ($)				
Year 1	1115	1061	54	5.1%
Year 2	1332	1133	200	17.6%
Last quarter of year 2	333	257	76	29.4%
Total (years 1 and 2)	2447	2193	254	11.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	94.6	93.3	1.3	1.4%
Last quarter of year 2	86.2	85.2	1.0	1.2%
Average total AFDC payments received ($)				
Year 1	10066	9905	161	1.6%
Year 2	9069	8889	180	2.0%
Last quarter of year 2	2146	2159	-13	-0.6%
Total (years 1 and 2)	19135	18794	341	1.8%
Sample size (total = 182)	96	86		
Butte				
Ever employed (%)				
Year 1	51.5	44.1	7.3 **	16.6%
Year 2	50.3	45.5	4.8	10.6%
Last quarter of year 2	34.9	29.3	5.6 *	19.1%
Total (years 1 and 2)	61.1	58.3	2.8	4.8%
Average total earnings ($)				
Year 1	3026	2393	633 *	26.5%
Year 2	4018	2773	1244 ***	44.9%
Last quarter of year 2	1052	696	355 **	51.0%
Total (years 1 and 2)	7044	5166	1877 **	36.3%
Ever received any AFDC payments (%)				
Last quarter of year 1	63.7	67.0	-3.3	-4.9%
Last quarter of year 2	52.8	57.6	-4.7	-8.2%
Average total AFDC payments received ($)				
Year 1	6523	6749	-226	-3.4%
Year 2	5246	5775	-529	-9.2%
Last quarter of year 2	1235	1354	-119	-8.8%
Total (years 1 and 2)	11769	12524	-755	-6.0%
Sample size (total = 1006)	780	226		

(continued)

TABLE 3.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
Los Angeles				
Ever employed (%)				
Year 1	41.2	29.4	11.8 ***	40.1%
Year 2	39.0	29.3	9.7 ***	33.0%
Last quarter of year 2	30.0	22.2	7.9 ***	35.5%
Total (years 1 and 2)	47.8	34.7	13.1 ***	37.9%
Average total earnings ($)				
Year 1	1480	1221	259 **	21.2%
Year 2	1785	1465	320 *	21.8%
Last quarter of year 2	429	363	66	18.2%
Total (years 1 and 2)	3266	2687	579 **	21.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	91.1	92.3	-1.1	-1.2%
Last quarter of year 2	85.5	85.3	0.1	0.2%
Average total AFDC payments received ($)				
Year 1	9442	9871	-429 ***	-4.3%
Year 2	8333	8826	-493 ***	-5.6%
Last quarter of year 2	1978	2099	-121 ***	-5.8%
Total (years 1 and 2)	17775	18697	-922 ***	-4.9%
Sample size (total = 1458)	735	723		
Riverside				
Ever employed (%)				
Year 1	57.2	48.6	8.6 ***	17.7%
Year 2	51.2	44.6	6.6 ***	14.8%
Last quarter of year 2	33.2	29.4	3.7 *	12.7%
Total (years 1 and 2)	65.4	57.0	8.4 ***	14.7%
Average total earnings ($)				
Year 1	3691	2930	761 ***	26.0%
Year 2	4039	3626	413	11.4%
Last quarter of year 2	947	853	94	11.0%
Total (years 1 and 2)	7730	6556	1174 **	17.9%
Ever received any AFDC payments (%)				
Last quarter of year 1	51.1	56.9	-5.8 ***	-10.2%
Last quarter of year 2	46.9	49.5	-2.6	-5.3%
Average total AFDC payments received ($)				
Year 1	4845	5810	-965 ***	-16.6%
Year 2	3895	4643	-749 ***	-16.1%
Last quarter of year 2	957	1102	-145 ***	-13.1%
Total (years 1 and 2)	8739	10453	-1714 ***	-16.4%
Sample size (total = 2323)	1590	733		

(continued)

TABLE 3.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
San Diego				
Ever employed (%)				
Year 1	53.9	50.1	3.8 **	7.6%
Year 2	50.0	45.8	4.2 **	9.1%
Last quarter of year 2	35.7	33.0	2.7	8.2%
Total (years 1 and 2)	62.7	59.1	3.7 **	6.2%
Average total earnings ($)				
Year 1	3331	3089	242	7.8%
Year 2	4128	3978	150	3.8%
Last quarter of year 2	1031	1027	5	0.4%
Total (years 1 and 2)	7459	7067	392	5.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	69.4	74.6	-5.2 ***	-7.0%
Last quarter of year 2	61.8	64.0	-2.2	-3.5%
Average total AFDC payments received ($)				
Year 1	6790	7301	-510 ***	-7.0%
Year 2	5565	6197	-632 ***	-10.2%
Last quarter of year 2	1354	1474	-120 **	-8.1%
Total (years 1 and 2)	12356	13498	-1142 ***	-8.5%
Sample size (total = 3272)	2427	845		
Tulare				
Ever employed (%)				
Year 1	52.5	51.2	1.3	2.5%
Year 2	50.2	48.9	1.3	2.6%
Last quarter of year 2	32.2	30.7	1.5	4.8%
Total (years 1 and 2)	61.5	59.2	2.3	3.9%
Average total earnings ($)				
Year 1	2987	2961	26	0.9%
Year 2	3723	3998	-275	-6.9%
Last quarter of year 2	858	958	-100	-10.4%
Total (years 1 and 2)	6709	6959	-249	-3.6%
Ever received any AFDC payments (%)				
Last quarter of year 1	74.6	74.5	0.2	0.3%
Last quarter of year 2	66.4	65.3	1.1	1.7%
Average total AFDC payments received ($)				
Year 1	7545	7523	23	0.3%
Year 2	6316	6261	54	0.9%
Last quarter of year 2	1530	1520	10	0.7%
Total (years 1 and 2)	13861	13784	77	0.6%
Sample size (total = 1901)	1319	582		

(continued)

TABLE 3.1 (continued)

County and Outcome	Experimentals	Controls	Difference	Percentage Change
All counties (a)				
Ever employed (%)				
Year 1	51.24	44.69	6.56 (b)	14.7%
Year 2	48.12	42.81	5.31 (b)	12.4%
Last quarter of year 2	33.19	28.91	4.28 ***	14.8%
Total (years 1 and 2)	59.69	53.63	6.06 (b)	11.3%
Average total earnings ($)				
Year 1	2903	2519	384 ***	15.3%
Year 2	3539	3168	370 **	11.7%
Last quarter of year 2	864	779	84 (b)	10.8%
Total (years 1 and 2)	6442	5687	755 ***	13.3%
Ever received any AFDC payments (%)				
Last quarter of year 1	69.98	73.06	-3.04 (b)	-4.2%
Last quarter of year 2	62.65	64.33	-1.68	-2.6%
Average total AFDC payments received ($)				
Year 1	7029	7451	-422 ***	-5.7%
Year 2	5871	6340	-469 ***	-7.4%
Last quarter of year 2	1411	1510	-99 (b)	-6.5%
Total (years 1 and 2)	12900	13791	-891 ***	-6.5%
Sample size (total = 10142)	6947	3195		

SOURCES: MDRC calculations from California Unemployment Insurance earnings records and from county AFDC records.

NOTES: The sample for this table consists of individuals who were randomly assigned as follows:

Alameda	July 1989-May 1990
Butte	March 1988-March 1990
Los Angeles	July 1989-March 1990
San Diego	August 1988-March 1990
Riverside	August 1988-September 1989
Tulare	January 1989-June 1990

The sample used to analyze GAIN's impacts is slightly smaller than the full research sample.

Dollar averages include zero values for sample members not employed or not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences.

For all measures, year 1 refers to follow-up quarters 2-5; year 2, to quarters 6-9. Quarter 1 refers to the calendar quarter in which random assignment occurred. Because quarter 1 may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from the summary measures of follow-up.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) These estimates do not include Alameda's impacts, which were based on a very small sample.

(b) A test of statistical significance was not performed.

lower in year 2 than in year 1, but the decline was greater for experimentals. Consequently, the experimental-control differential in percent employed also declined, from 8.6 percentage points in year 1 to 6.6 percentage points in year 2.

Earnings gains, like employment impacts, decreased over time: from a statistically significant $761 in year 1 to a not statistically significant $413 the following year. As may be seen in Figure 3.1, control group earnings increased substantially in year 1, narrowing the gap between experimentals and controls. Over the full two-year period, a significant degree of control group catch-up had occurred, and by quarter 9, experimentals were earning, on average, just $94 more than controls. Total earnings for the two years were higher by $1,174. Riverside's two-year impact on total AFDC payments, $1,714, was larger than the two-year savings for AFDC-FGs and was the largest for either assistance category in any county. Nevertheless, AFDC outcomes for experimentals and controls increasingly converged throughout most of the follow-up period. The average difference in AFDC receipt peaked in quarter 3, when 59 percent of experimentals received an AFDC payment compared to 69 percent of controls; and AFDC payments for experimentals averaged $294 less. By quarter 9, the experimental-control difference in AFDC receipt had dropped to 2.6 percentage points, and the savings had fallen to $145. Savings were larger than the corresponding earnings gains, but may not remain so after year 2.

The largest two-year earnings gains, $1,877, were found in Butte. Unlike the results for Riverside, earnings impacts in Butte grew substantially from year 1 to year 2, i.e., from $633 to $1,244. In addition, the experimental-control difference in average earnings peaked in quarter 9 at $355 per experimental, suggesting that experimentals will continue to record higher earnings than controls. Earnings gains exceeded welfare savings by a considerable margin, another difference between Butte and Riverside. Welfare savings in Butte grew from $226 in year 1 to $529 in year 2, for a combined two-year total of $755. Welfare impacts in Butte were not statistically significant.

Los Angeles was the only other county to record statistically significant earnings gains during the two-year follow-up, although the two-year impact of $579 was much smaller than Butte's or Riverside's. In Los Angeles, as in Butte, the experimental-control difference in average earnings grew larger over time, from $259 in year 1 to $320 in year 2, both statistically significant. However, welfare savings exceeded earnings gains by about $170 during each of these years, a pattern more like Riverside's. Employment impacts in Los Angeles were large relative to earnings impacts there.

In San Diego, welfare reductions outpaced earnings gains by an even wider margin. GAIN achieved only a small and not statistically significant increase of $392 in total earnings during the two-year follow-up; and, by quarter 9, the experimental-control difference had all but disappeared. At

the same time, San Diego's GAIN program continued to produce statistically significant AFDC reductions, although here, too, impacts diminished during year 2. In all, experimentals averaged $1,142 less in AFDC payments than controls during years 1 and 2.

In Tulare, experimentals earned about the same amount as controls in year 1 and somewhat less in year 2, although the difference was not statistically significant. GAIN produced no welfare savings in Tulare at any time in the follow-up.

AFDC-U samples in Alameda were too small to yield reliable estimates of differences between experimentals and controls. Nonetheless, the results there, despite their imprecision, were similar to the finding in Los Angeles that impacts on employment can exceed impacts on earnings for AFDC-Us. In San Diego, too, employment impacts were large relative to earnings gains. This suggests that the new jobs found by experimentals did not, as a general rule, pay better than the jobs typically held by controls. This same result was obtained in almost all previous broad-coverage welfare-to-work experiments.[15]

Analysis of AFDC impacts reveals differences across counties. In Riverside and San Diego, nearly two-thirds of the two-year welfare savings came from fewer months on AFDC, which is similar to the findings for most AFDC-FG samples. The remaining one-third is associated with reduced average grant amounts per month of receipt for experimentals, possibly the effect of sanctions or an increase in employment while on AFDC.[16] For Los Angeles, however, impacts on the number of months receiving AFDC during year 1 were quite small compared to the dollar amounts of first-year AFDC savings. However, the reduction in receipt had approached the magnitude of the reduction

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[15]One approach to comparing the magnitudes of employment and earnings impacts is to divide each impact estimate by the corresponding control group mean to estimate the relative gain or "impact relative to the control group mean." If jobs of experimentals and controls pay about the same per quarter of employment, then it follows that the relative gain in the number of quarters employed and average total earnings must be quite similar. Although not shown in Table 3.1, impacts on number of quarters of employment during the two-year follow-up were calculated for all counties, along with gains relative to the control group means. In Alameda, Los Angeles, and San Diego, these measures showed that the relative gain in employment was much larger than the relative gain in earnings. In Riverside, the two relative gains were similar. In Butte, the relative gain in employment was about 60 percent of the relative gain in earnings.

[16]The average monthly payment amount for controls is obtained by dividing the average total dollar amount by the average number of months during which AFDC payments were received. Multiplying this figure by the reduction in months indicates what the total reduction in AFDC payments would have been had average monthly payment amounts been the same for experimentals and controls who remained on welfare. In Riverside and San Diego, the figure is about two-thirds. In Butte, it is about one-half, and in Los Angeles, it is less than 5 percent. The remainder of the impact on first-year AFDC payments may have come from partial grant reductions imposed by sanctions or from part-time employment. It could also have resulted if the overall reduction in months of receipt fell primarily on cases with above-average monthly grant amounts.

in payments by the end of the second year (quarter 9).[17] In Butte, about half the reduction in AFDC payments resulted from fewer months on welfare.

As for AFDC-FGs, measures summarizing results for AFDC-Us across all counties are of some interest. Averaging across five counties (omitting Alameda because the sample there is small), and giving each county equal weight, yields two-year earnings gains for AFDC-Us of $755 per experimental group sample member and two-year welfare savings of $891, both statistically significant. As discussed in Chapter 2, and as shown in Table 3.2, slightly different impact estimates are obtained from weighting by the size of each county's GAIN caseload. This second method yields an average earnings gain of $660 and an average welfare saving of $989.[18] According to a third way of estimating GAIN's effects, weighting by county sample sizes, experimentals averaged $630 more in earnings during the two-year follow-up and received $971 less in AFDC.

IV. County Comparisons Using AFDC-FG and AFDC-U Results

The relative performance of counties was similar in most cases for the AFDC-FG and AFDC-U assistance categories. Counties with impacts for AFDC-FGs that were large or small relative to impacts for AFDC-FGs in other counties tended to obtain impacts for AFDC-Us that were also large or small compared with impacts on AFDC-Us elsewhere (again omitting Alameda from the comparison because of its small AFDC-U sample size). This relationship was stronger for welfare savings than for earnings gains. Omitting Alameda and weighting the remaining counties equally, the simple correlation between earnings gains for AFDC-FGs and AFDC-Us across counties is +0.54 (of a maximum of +1.00); for welfare savings, the correlation coefficient is +0.99. The high degree of correlation for welfare savings across counties stems from the strong showing for both target groups in Riverside and the weak showing for both in Tulare. The much lower correlation of earnings gains for AFDC-FGs and AFDC-Us across counties is, in part, attributable to the large increase in earnings impacts for AFDC-Us in Butte from year 1 to year 2.[19]

There was also a strong relationship between earnings gains and welfare savings across counties.

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[17]In quarter 9, the reduction in "percent receiving" accounts for more than 90 percent of the total reduction in average AFDC payments in Butte. In Los Angeles, however, the reduction in receipt at quarter 9 is still small relative to the total AFDC dollar impact in that quarter.

[18]Including Alameda in the averages gives summary estimates of earnings gains of $671 (equal weighting), $623 (weighting by sample size), and $654 (weighting by GAIN caseload size). The corresponding averages for AFDC savings are: $686, $948, and $969.

[19]Correlations that also include Alameda are similar: +0.53 for earnings gains and +0.86 for welfare savings.

TABLE 3.2

POOLED IMPACTS OF GAIN ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U REGISTRANTS, BY ALTERNATIVE WEIGHTING METHODS

	Earnings Impacts ($)			AFDC Payments Impacts ($)		
Weighting Method	Year 1	Year 2	2-Year Total	Year 1	Year 2	2-Year Total
Equal weighting (a)	329 ***	342 **	671 ***	-324 ***	-361 ***	-686 ***
	384 ***	370 **	755 ***	-422 ***	-469 ***	-891 ***
By county's GAIN caseload in December 1991	342 ***	312 **	654 ***	-454 ***	-515 ***	-969 ***
	346 ***	314 **	660 ***	-463 ***	-526 ***	-989 ***
By county's sample size (a)	358 ***	264 *	623 ***	-463 ***	-485 ***	-948 ***
	364 ***	266 *	630 ***	-474 ***	-497 ***	-971 ***

SOURCES: See Tables 1.1 and 3.1.

NOTES: See Table 3.1.

The pooled impacts were computed in the following way. The impact of each county was first multiplied by that county's respective weight. Therefore, each county's impact was multiplied by one for the equal weighting method; by the county's GAIN caseload for the caseload method; and by the county's sample size for the sample size method. For each method, the six products were then summed and divided by the sum of the weights. The significance levels were obtained from t-values calculated by dividing the pooled impact by the pooled standard error. The pooled standard error was calculated by first squaring the standard errors of the individual county impacts multiplied by the county weight. These squares were then summed and the total was divided by the square of the sum of the weights. The square root of this sum yielded the pooled standard error.

(a) For each weighting method, the first row includes Alameda's impact, which was based on a very small sample. The second row excludes Alameda's impacts.

Relatively large earnings gains were associated with relatively large AFDC payment reductions. The simple correlation coefficient between earnings gains and welfare savings for AFDC-FGs (six counties) is +0.85; for AFDC-Us (five counties), it is +0.51. This strong relationship between earnings gains and welfare savings for AFDC-FGs depends in large part on the results for Riverside and Tulare. The same relationship for AFDC-Us is weaker because the large increase in earnings impact in Butte from year 1 to year 2 was not accompanied by a correspondingly large increase in welfare savings. In addition, from year 1 to year 2, Riverside's AFDC-U earnings impacts fell out of first place among the counties, while the AFDC-U welfare savings remained the largest.[20]

V. Impacts After the Second Follow-Up Year

Figure 3.2 presents experimental-control differences in earnings and AFDC payments separately for early cohorts and full county samples, along with the dates that define the cohorts and their sample sizes. The sample size of the early cohort for Alameda is too small for meaningful analysis. The early cohort in Butte is also relatively small, and the impact estimates there should be considered of below-average reliability.

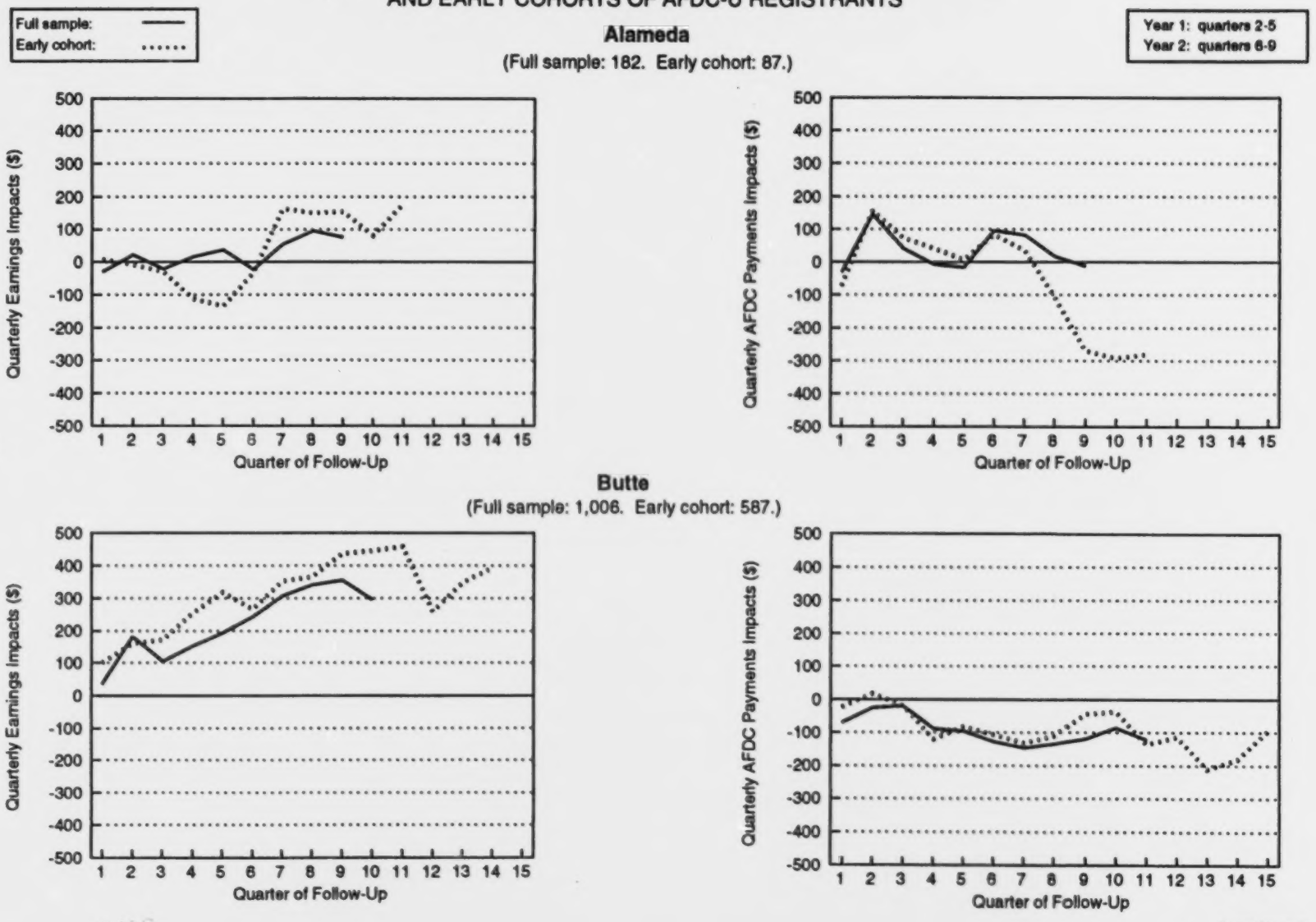
Information from this cohort analysis changes the picture of AFDC-U impacts very little. On balance, impact estimates for the full AFDC-U samples and the early cohorts indicate that, for the most part, earnings impacts may have reached a peak as early as year 1 or the first part of year 2 and declined after that point. Welfare reductions, when they occurred, show a similar pattern. The one possible exception to this pattern is Butte, which shows nearly continuous growth in the experimental-control differential in earnings.

Riverside's results for both the full sample and the early cohort indicate decline beginning in year 1, although some impacts on earnings and welfare may persist for at least several years. Earnings impacts had fallen to approximately zero by the beginning of year 2 for the early cohort, as shown by the dotted line in the Riverside earnings graph. For the full sample as well, represented by the solid line, earnings gains were much below their peak by year 2. It is possible that the late cohort may carry full-sample earnings gains at a level of about $100 per quarter ($400 annualized) after year 2. Or the late cohort may also fall to zero by the end of the third year. Insufficient information is available at this time to predict the course of earnings gains for Riverside's AFDC-Us with any confidence after year 2. For AFDC payments, the experimental-control differential for both the full

[20]Including Alameda in the AFDC-U correlation makes it +0.55, quite close to the five-county number.

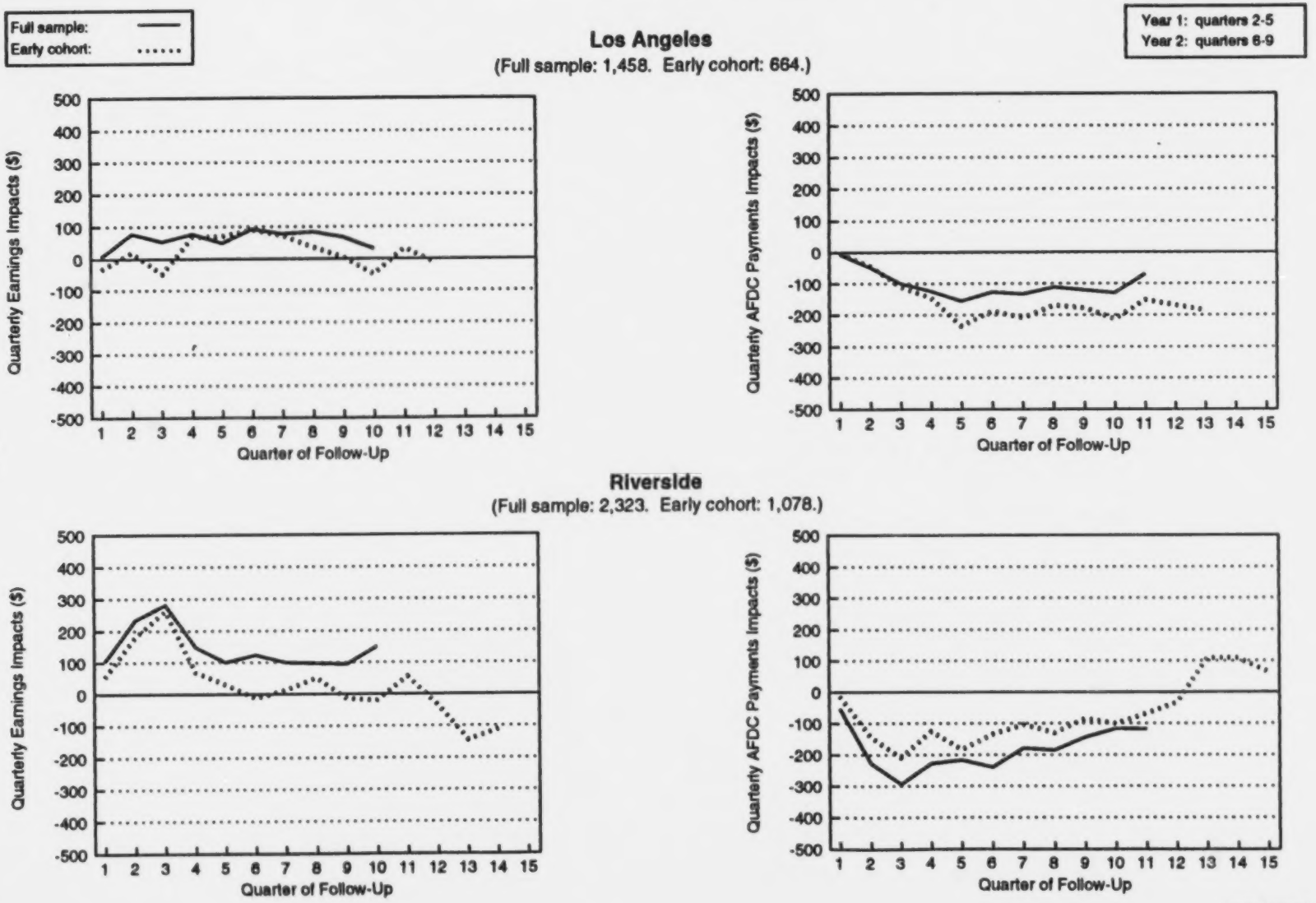
FIGURE 3.2

IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR THE FULL SAMPLES AND EARLY COHORTS OF AFDC-U REGISTRANTS



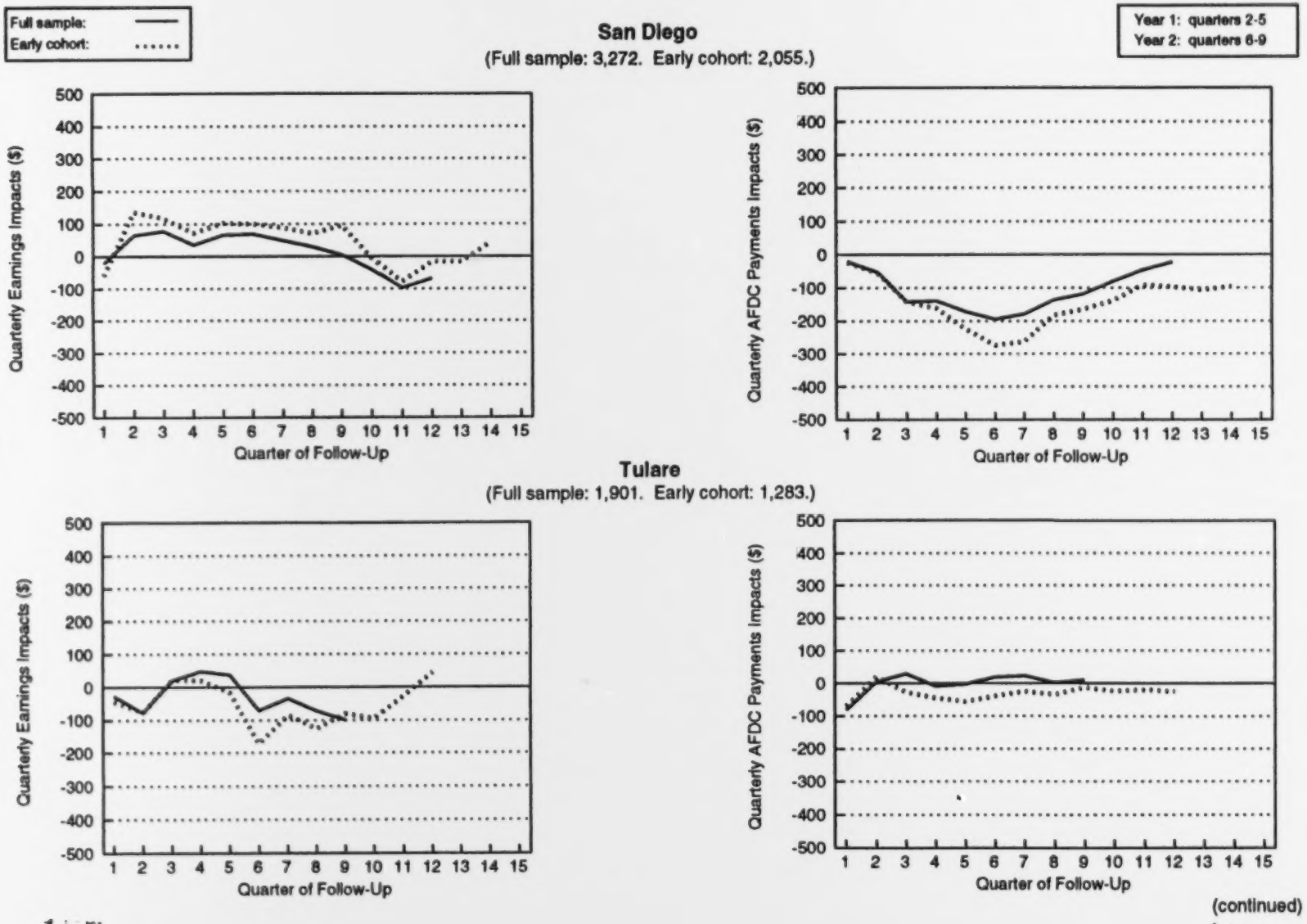
(continued)

FIGURE 3.2 (continued)



(continued)

FIGURE 3.2 (continued)



(continued)

FIGURE 3.2 (continued)

SOURCES AND NOTES: See Table 3.1 and Appendix C. The early cohorts in this figure consist of individuals who were randomly assigned as follows:

Alameda	July 1989-December 1989
Butte	March 1988-March 1989
Los Angeles	July 1989-September 1989
Riverside	August 1988-March 1989
San Diego	August 1988-March 1989
Tulare	January 1989-September 1989

sample and the early cohort began to taper off in year 1. The full-sample curve looks more favorable than that for the early cohort, but does not alter the expectation that most of the AFDC impact for AFDC-Us in Riverside may occur within three years of program entry.

In San Diego, earnings impacts for the full sample and the early cohort were in the vicinity of zero by year 3 and support the conclusion that overall earnings impacts for AFDC-Us reached their maximum in year 1. In Los Angeles, the full-sample and early cohort results suggest that the earnings impacts may have peaked in year 2 and then fallen, with not much additional effect in year 3 and beyond. Both Los Angeles and San Diego showed greater welfare savings in year 2 than in year 1, with a possible peak in the experimental-control welfare differential around the beginning of year 2.

Butte is the only county where the full AFDC-U sample showed earnings gains that increased quarter by quarter, although the early cohort results in that county suggest that impacts may level off in year 3. In addition, the experimental-control differentials in AFDC payments for the full sample and the early cohort in Butte did not evidence the decline found in Riverside and other counties: Savings were larger in year 2 than in year 1 and may well persist or even grow beyond year 2.

Neither the full sample nor the early cohort in Tulare gives evidence that impacts on earnings or AFDC payments are likely to appear over time in that county.

VI. Two-Year Impacts for Subgroups

The subgroup analysis for AFDC-U registrants parallels that for AFDC-FG registrants. Subgroups are defined the same way, and the analysis methods are the same. In each county, subgroup samples were smaller than the full samples, with the associated decrease in precision and statistical significance. As explained at the start of this chapter (and in note 1), subgroup samples for AFDC-Us in Alameda were too small for meaningful analysis.

A. Assessed Need for Basic Education

Tables 3.3 and 3.4 present the impacts of GAIN for AFDC-Us by county, separately for portions of the samples determined by GAIN to need or not to need basic education. Because of the very small not-in-need and in-need subgroups in Alameda, that county's impact estimates are omitted from the tables. However, the control group means are shown for comparison to other counties. The not-in-need subgroup in Los Angeles was quite small, too, and the dollar amounts of its impact estimates have low reliability. Of below-average precision are the dollar amount estimates for impacts for both subgroups in Butte and the not-in-need subgroup in Tulare. As was the case for AFDC-FG registrants, the mix of AFDC-U subgroups differed across counties. Los Angeles again had the

TABLE 3.3

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U REGISTRANTS DETERMINED NOT TO NEED BASIC EDUCATION

	Average Total Earnings				Average Total AFDC Payments			
County and Year	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda								
Year 1	--	1194	--	--	--	9799	--	--
Year 2	--	1012	--	--	--	8315	--	--
Total	--	2206	--	--	--	18113	--	--
Sample size (total = 34)	18	16			18	16		
Butte								
Year 1	3938	2690	1248 *	46.4%	5945	6472	-528	-8.2%
Year 2	5552	3235	2317 **	71.6%	4404	5611	-1207 **	-21.5%
Total	9490	5925	3565 **	60.2%	10348	12084	-1735 **	-14.4%
Sample size (total = 426)	332	94			332	94		
Los Angeles								
Year 1	1775	1591	183	11.5%	8457	9675	-1217 ***	-12.6%
Year 2	2470	2655	-184	-6.9%	7364	8326	-962	-11.6%
Total	4245	4246	-1	0.0%	15821	18000	-2179 **	-12.1%
Sample size (total = 113)	48	65			48	65		
Riverside								
Year 1	4718	3143	1575 ***	50.1%	4588	5748	-1161 ***	-20.2%
Year 2	5283	4240	1044 *	24.6%	3393	4249	-856 **	-20.1%
Total	10002	7383	2619 **	35.5%	7981	9998	-2017 ***	-20.2%
Sample size (total = 774)	531	243			531	243		
San Diego								
Year 1	4562	3531	1032 **	29.2%	5852	6610	-758 ***	-11.5%
Year 2	5491	4929	562	11.4%	4588	4920	-331	-6.7%
Total	10053	8460	1593 *	18.8%	10440	11529	-1089 **	-9.4%
Sample size (total = 1214)	888	326			888	326		
Tulare								
Year 1	4322	4069	253	6.2%	6295	6410	-115	-1.8%
Year 2	5814	6728	-913	-13.6%	4991	4535	456	10.1%
Total	10137	10797	-660	-6.1%	11286	10945	341	3.1%
Sample size (total = 495)	347	148			347	148		

SOURCES: See Table 3.1.

NOTES: See Table 3.1.
Dashes indicate that the sample was too small for analysis; therefore, the calculation has been omitted. The control group means are shown because these can be useful in drawing conclusions about the relative disadvantagedness of target groups across counties.

TABLE 3.4

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U REGISTRANTS DETERMINED TO NEED BASIC EDUCATION

County and Year	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda								
Year 1	--	1113	--	--	--	9938	--	--
Year 2	--	1180	--	--	--	9139	--	--
Total	--	2292	--	--	--	19077	--	--
Sample size (total = 148)	78	70			78	70		
Butte								
Year 1	2385	2062	323	15.7%	6944	6970	-26	-0.4%
Year 2	2927	2285	642	28.1%	5872	5888	-16	-0.3%
Total	5312	4348	965	22.2%	12816	12858	-43	-0.3%
Sample size (total = 580)	448	132			448	132		
Los Angeles								
Year 1	1436	1209	227 *	18.8%	9520	9882	-362 ***	-3.7%
Year 2	1701	1386	316 *	22.8%	8410	8866	-456 ***	-5.1%
Total	3138	2595	543 **	20.9%	17930	18747	-817 ***	-4.4%
Sample size (total = 1345)	687	658			687	658		
Riverside								
Year 1	3169	2840	329	11.6%	4964	5861	-897 ***	-15.3%
Year 2	3424	3303	121	3.7%	4137	4857	-720 ***	-14.8%
Total	6593	6143	450	7.3%	9101	10718	-1617 ***	-15.1%
Sample size (total = 1549)	1059	490			1059	490		
San Diego								
Year 1	2622	2807	-184	-6.6%	7345	7698	-353 **	-4.6%
Year 2	3341	3381	-40	-1.2%	6147	6945	-799 ***	-11.5%
Total	5964	6188	-225	-3.6%	13491	14643	-1152 ***	-7.9%
Sample size (total = 2058)	1539	519			1539	519		
Tulare								
Year 1	2512	2578	-66	-2.5%	7981	7925	56	0.7%
Year 2	2979	3059	-80	-2.6%	6775	6880	-105	-1.5%
Total	5492	5637	-146	-2.6%	14756	14805	-49	-0.3%
Sample size (total = 1406)	972	434			972	434		

SOURCES: See Table 3.1.

NOTES: See Table 3.1.

Dashes indicate that the sample was too small for analysis; therefore, the calculation has been omitted. The control group means are shown because these can be useful in drawing conclusions about the relative disadvantagedness of target groups across counties.

highest proportion determined to need basic education (92.2 percent); Butte again had the lowest (57.7 percent). In every county, the percentage in need was larger in the AFDC-U sample than in the AFDC-FG sample. In some counties, the AFDC-U samples included a particularly large proportion of refugees and others who were not proficient in English and whom GAIN slated for the ESL component of basic education.

The two-year impact estimates presented in Tables 3.3 and 3.4 show that both earnings gains and welfare savings were generally larger for the not-in-need subgroup, a pattern that, at least for earnings gains, was similar to the one found for AFDC-FG registrants. Earnings impacts were larger for the not-in-need subgroup in Butte, Riverside, and San Diego; and, in those counties, earnings impacts were statistically significant only for the not-in-need subgroup. Only in Los Angeles was the pattern reversed, with earnings impacts being larger for the in-need subgroup and statistically significant only for that subgroup. Statistically significant two-year AFDC reductions were found in all four of those counties for the not-in-need subgroup, and in three of those counties (all but Butte), statistically significant AFDC savings were found for the in-need subgroup, too. In three of those four counties, however, the dollar savings were larger for the not-in-need subgroup; in the fourth county (San Diego), the savings were about the same for both subgroups.[21] Unlike the AFDC-FGs, the AFDC-Us did not show a consistent pattern of increase or decrease in impacts from year 1 to year 2 for either earnings or AFDC for either subgroup.

In Tulare, neither subgroup had impacts on earnings or AFDC payments. Differences between educational need subgroups do not account for the absence of overall program impacts in that county.

B. Past Welfare Receipt

Tables 3.5, 3.6, and 3.7, respectively, present county results for the three welfare history subgroups defined in this analysis: applicants, short-term recipients, and long-term recipients. These subgroups were defined the same way for AFDC-Us as they were for AFDC-FGs. Samples were quite small for the short- and long-term recipient subgroups in Butte, and the dollar amounts of impact estimates for them have low reliability (i.e., they should be allowed a wide margin for error). Estimates for the long-term recipient subgroup in Riverside and the applicant subgroup in Tulare should be considered of below-average reliability owing to their small sample sizes.

In Alameda and Los Angeles, long-term recipients accounted for virtually 100 percent of the

[21]Differences in earnings gains between educational need subgroups were statistically significant in Riverside and San Diego. Differences in welfare savings were not statistically significant in any county.

TABLE 3.5

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U APPLICANTS

County and Year	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Butte								
Year 1	3310	2847	463	16.2%	6130	6099	31	0.5%
Year 2	4525	3159	1366 **	43.2%	4781	5173	-392	-7.6%
Total	7835	6006	1829 *	30.4%	10911	11272	-361	-3.2%
Sample size (total = 763)	590	173			590	173		
Los Angeles (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Riverside								
Year 1	4567	3648	919 **	25.2%	4386	5580	-1194 ***	-21.4%
Year 2	4861	4846	15	0.3%	3506	4087	-581 *	-14.2%
Total	9428	8494	935	11.0%	7892	9667	-1775 ***	-18.4%
Sample size (total = 983)	675	308			675	308		
San Diego								
Year 1	4198	4149	48	1.2%	5524	6177	-652 **	-10.6%
Year 2	5097	5001	97	1.9%	4345	5388	-1043 ***	-19.4%
Total	9295	9150	145	1.6%	9870	11564	-1695 ***	-14.7%
Sample size (total = 1077)	840	237			840	237		
Tulare								
Year 1	4317	4432	-115	-2.6%	5564	6469	-906 **	-14.0%
Year 2	5520	5980	-459	-7.7%	4642	5123	-481	-9.4%
Total	9837	10412	-575	-5.5%	10205	11592	-1387 *	-12.0%
Sample size (total = 421)	308	113			308	113		

SOURCES: See Table 3.1.

NOTES: See Table 3.1.
(a) No data on AFDC-U applicants are included for Alameda and Los Angeles counties because they targeted only long-term recipients for GAIN.

TABLE 3.6

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U SHORT-TERM RECIPIENTS

County and Year	Average Total Earnings				Average Total AFDC Payments			
	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Butte								
Year 1	2171	1284	887	69.0%	6360	8149	-1789 *	-22.0%
Year 2	2677	2084	593	28.5%	5293	6929	-1637	-23.6%
Total	4848	3368	1480	43.9%	11652	15078	-3426 *	-22.7%
Sample size (total = 120)	98	22			98	22		
Los Angeles (a)								
Year 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sample size (total = 0)	0	0			0	0		
Riverside								
Year 1	3445	3068	377	12.3%	4663	5624	-962 ***	-17.1%
Year 2	3882	3445	437	12.7%	3636	4685	-1048 ***	-22.4%
Total	7327	6513	814	12.5%	8299	10309	-2010 ***	-19.5%
Sample size (total = 867)	607	260			607	260		
San Diego								
Year 1	3520	3171	349	11.0%	6597	7112	-516 **	-7.2%
Year 2	4367	4482	-116	-2.6%	5282	5578	-296	-5.3%
Total	7886	7653	233	3.0%	11879	12690	-811 *	-6.4%
Sample size (total = 1231)	874	357			874	357		
Tulare								
Year 1	3570	3354	215	6.4%	7049	6372	677 ***	10.6%
Year 2	4208	4490	-282	-6.3%	5568	5182	386	7.4%
Total	7778	7844	-66	-0.8%	12617	11554	1063 **	9.2%
Sample size (total = 802)	539	263			539	263		

SOURCES: See Table 3.1.

NOTES: See Table 3.1.
(a) No data on AFDC-U short-term recipients are included for Alameda and Los Angeles counties because they targeted only long-term recipients for GAIN.

TABLE 3.7

GAIN's FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-U LONG-TERM RECIPIENTS

	Average Total Earnings				Average Total AFDC Payments			
County and Year	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change	Experimentals ($)	Controls ($)	Difference ($)	Percentage Change
Alameda (a)								
Year 1	1115	1061	54	5.1%	10066	9905	161	1.6%
Year 2	1332	1133	200	17.6%	9069	8889	180	2.0%
Total	2447	2193	254	11.6%	19135	18794	341	1.8%
Sample size (total = 182)	96	86			96	86		
Butte								
Year 1	2009	962	1047	108.8%	9090	9739	-648	-6.7%
Year 2	2042	1557	484	31.1%	7962	8976	-1014	-11.3%
Total	4051	2519	1531	60.8%	17052	18714	-1662	-8.9%
Sample size (total = 123)	92	31			92	31		
Los Angeles (a)								
Year 1	1480	1221	259 **	21.2%	9442	9871	-429 ***	-4.3%
Year 2	1785	1465	320 *	21.8%	8333	8826	-493 ***	-5.6%
Total	3266	2687	579 **	21.6%	17775	18697	-922 ***	-4.9%
Sample size (total = 1458)	735	723			735	723		
Riverside								
Year 1	2282	1327	956 **	72.0%	6100	6734	-634 *	-9.4%
Year 2	2544	1640	903 *	55.1%	5153	5805	-651	-11.2%
Total	4826	2967	1859 **	62.7%	11253	12538	-1285 *	-10.3%
Sample size (total = 473)	308	165			308	165		
San Diego								
Year 1	2093	1929	165	8.5%	8461	8799	-338	-3.8%
Year 2	2683	2323	360	15.5%	7303	7974	-671 **	-8.4%
Total	4777	4252	525	12.3%	15763	16773	-1010 **	-6.0%
Sample size (total = 964)	713	251			713	251		
Tulare								
Year 1	1452	1654	-202	-12.2%	9405	9571	-167	-1.7%
Year 2	1998	2277	-279	-12.3%	8273	8239	34	0.4%
Total	3450	3931	-481	-12.2%	17678	17810	-133	-0.7%
Sample size (total = 678)	472	206			472	206		

SOURCES: See Table 3.1.

NOTES: See Table 3.1.
(a) Since Alameda and Los Angeles counties targeted only long-term recipients, the data for these counties represent their full AFDC-U samples.

sample, in line with the targeting rules there. As shown in the tables, however, the proportion of recipients – and especially long-term recipients – in the AFDC-U samples for the other counties was smaller than for AFDC-FGs. Nevertheless, applicants were in a majority only in Butte. This contrasts with the earlier San Diego SWIM demonstration, in which applicants made up 60 percent of the AFDC-U research sample. The much lower proportion of applicants in the GAIN samples in Riverside, San Diego, and Tulare results from the fact that random assignment took place later in the AFDC application/approval sequence than it did in the SWIM demonstration. Thus, in the GAIN study, many applicants who were not actually approved for aid and many who left AFDC quickly were out of the system before they could be randomly assigned.

As was the case for AFDC-FGs, control group mean earnings and AFDC payments for the long-term recipients in Alameda and Los Angeles were similar to each other but different from the other counties in some ways. Average control group earnings during the two-year follow-up period in Alameda and Los Angeles were less than those for long-term recipients in all other counties except Butte. Average AFDC payments for long-term recipients in Alameda and Los Angeles were greater than in Riverside, San Diego, and Tulare. As with AFDC-FGs, these differences stemmed from the fact that Alameda and Los Angeles focused on recipients who had been on AFDC even more than the two years used to define "long-term recipient" for this analysis.

The impact estimates shown in the tables indicate that long-term AFDC-U recipients in the GAIN target population can experience impacts from GAIN. For instance, in Riverside, earnings gains were much larger for the long-term recipients (Table 3.7) than for the applicants (Table 3.5). In addition, reductions in AFDC payments were large and statistically significant for the long-term subgroup in Riverside (Table 3.7), although not as large as for the other Riverside subgroups. Earnings gains were not confined to a particular subgroup in Butte, either, although impacts were not statistically significant for the two recipient subgroups, given their small sample size. Welfare reductions were only modest for applicants in Butte (Table 3.5), but were large for both recipient subgroups there and were statistically significant for the short-term recipients (Table 3.6). In San Diego, earnings gains for long-term recipients (Table 3.7) were not large, but they were small for the other subgroups there as well. Welfare reductions for long-term recipients in San Diego (Table 3.7) were large and grew from year 1 to year 2, but were below the level of savings achieved for AFDC applicants. In Tulare, statistically significant welfare savings were found for applicants. This and the other estimates for subgroups in Tulare, however, are not consistent with any expected pattern and do not explain the absence of overall impacts in that county.

Results for the long-term subgroups for both AFDC-FGs and AFDC-Us are important because

they inform the GAIN legislation's provision for targeting GAIN services. When resources are insufficient to serve all potentially eligible AFDC applicants and recipients, this legislation gives priority to long-term welfare recipients. Although final results of the evaluation may or may not support the decision to target the program in this way, the two-year impact findings demonstrate that GAIN can have positive effects on this important group. At the same time, however, the finding in at least some counties that GAIN produced earnings increases and welfare savings for applicants and short-term recipients as well as for long-term recipients provides a reason for caution about choosing to work *exclusively* with the long-term recipient group.[22]

[22]See also Friedlander, 1988; Friedlander and Hamilton, 1993.

CHAPTER 4

EXPLAINING COUNTY DIFFERENCES IN TWO-YEAR IMPACTS

The previous (1992) report showed that GAIN can be operated in many different ways, and often must be run under quite diverse local conditions. It is therefore important for policymakers and program administrators, who must decide how best to spend the program's limited resources, to know what implications these choices and conditions hold for GAIN's impacts. The previous report began to explore this issue through a county-by-county comparison of implementation factors and first-year impacts. This report continues that inquiry using the two-year impact findings presented in Chapters 2 and 3.

Before embarking on the comparison of counties, it is important to consider several limitations of this type of analysis. (See also Chapter 1.) First, because this study includes only six counties, and because random assignment was conducted within counties and not across programs, isolating the effects of any particular factor is difficult and cannot be done with the same level of rigor that is possible in estimating county-specific impacts. Second, the data available for this report may not capture many aspects of the local environment, participation, or implementation that also influence impacts. And third, the conclusions from this analysis may change once additional data become available, including longer-term follow-up, survey information on the control group's use of non-GAIN services, and information on a broader set of outcome measures in addition to employment, earnings, and welfare outcomes. For all of these reasons, the analysis that follows remains preliminary. The evaluation's final report will use the additional data to conduct a fuller analysis.

These limitations notwithstanding, the second-year findings do bolster one tentative conclusion offered in the previous report: that GAIN can lead to increased earnings and reduced welfare payments even when operated under a variety of local conditions, when targeted toward different types of welfare recipients, and when implemented using quite different approaches. At the same time, the data support a second preliminary conclusion of that report: that the particular combination of implementation conditions and approaches identified in Riverside may have the largest and most consistent payoff. However, it must also be recognized that the factors prevailing in Riverside did not produce uniformly strong earnings effects in the second year, for several AFDC-U subgroups in Riverside saw no statistically significant earnings gains in year 2. Furthermore, several other counties produced two-year impacts on either earnings or welfare payments that rivaled Riverside's in magnitude for certain subgroups. Thus, the strategies chosen by those counties may still prove to be

as effective as Riverside's – or even more effective – in the long run, at least for some of those subgroups.

I. A Summary of the Counties' Two-Year Impacts

Table 4.1 summarizes, county by county, the key two-year impact findings (and selected participation outcomes) for the full AFDC-FG and AFDC-U research samples, and Tables 4.2 and 4.3 present results for main subgroups. (See Chapters 2 and 3 for the subgroup impacts for year 2 separately.) These data are brought together to set the stage for this chapter's inquiry into the links between implementation factors and county impacts. The tables are used to highlight county similarities and differences not only in the magnitude of their impacts but also in the degree to which their impacts were consistent or inconsistent across different groups of GAIN registrants and across the two main variables for this report: earnings and welfare payments.

As the tables show, five of the six counties produced modest-to-large earnings gains or welfare savings (or both) over the entire two-year period. At the same time, Riverside stands out among the six counties because, for AFDC-FGs, it had comparatively large and statistically significant effects simultaneously on earnings *and* welfare payments and its effects cut across all of the major subgroups. Overall, not only were Riverside's impacts the largest in any of the six counties, but they were also larger than those found in prior experimental studies of large-scale welfare-to-work programs. Although its earnings impacts for AFDC-Us had declined and were no longer statistically significant in the second year (owing partly to the fact that controls' earnings were "catching up" to experimentals' earnings), they were still large and statistically significant for the entire two-year period. (They remained large and statistically significant in the second year for those AFDC-Us determined *not* to need basic education and for the long-term recipient subgroup.) Also, Riverside's two-year impacts on welfare savings were substantial and statistically significant for all AFDC-U subgroups.

Tulare, in contrast, produced no statistically significant earnings gains over the entire two-year period for the full samples of AFDC-FGs and AFDC-Us, or for any of the subgroups studied, and statistically significant welfare savings only for AFDC-U applicants.

Among the other counties, the patterns were more complex. Each produced statistically significant earnings gains and welfare savings, but not always both together *nor* as consistently across subgroups as Riverside.[1]

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[1]Alameda's effects on AFDC-Us must be interpreted very cautiously because of the very small sample size for that group. Therefore, these results are not discussed in this chapter. For details, see Chapter 3.

TABLE 4.1

SUMMARY OF SELECTED PARTICIPATION AND TWO-YEAR IMPACT MEASURES FOR GAIN REGISTRANTS

Measure and Sample	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare	
Participation measures for experimentals within 11 months after orientation							
Ever participated in any GAIN activity, excluding appraisal and assessment (%)							
AFDC-FG	63.1	42.5	51.3	60.1	55.1	60.9	***
AFDC-U	56.3	38.4	36.0	66.0	46.3	59.7	***
Was a GAIN registrant at end of 11 months (a) (%)							
AFDC-FG	n/a	52.5	n/a	30.6	49.8	64.0	(b)
AFDC-U	n/a	43.4	n/a	27.2	55.7	58.1	(b)
Ever participated in job search (%)							
AFDC-FG	26.4	18.0	11.9	34.3	29.6	20.4	***
AFDC-U	14.6	16.2	5.0	42.2	22.1	16.1	***
Ever participated in any education or training activity (%)							
AFDC-FG	53.0	27.5	43.8	36.3	37.2	49.3	***
AFDC-U	51.0	25.3	32.7	32.0	33.6	52.4	***
In any education or training activity at end of 11 months among those starting the activity (a,c) (%)							
AFDC-FG	n/a	56.4	n/a	20.0	23.9	38.7	(b)
AFDC-U	n/a	44.0	n/a	21.3	22.0	49.2	(b)
Impact measures (experimental-control differences)							
Impact on average total earnings, year 2 ($)							
AFDC-FG	524 *	554	112	1179 ***	709 ***	34	
AFDC-U	--	1244 **	320 *	413	150	-275	
Impact on average total earnings, years 1 and 2 ($)							
AFDC-FG	733 *	826	108	2099 ***	1058 ***	-115	
AFDC-U	--	1877 **	579 **	1174 **	392	-249	
Impact on average total AFDC payments, year 2 ($)							
AFDC-FG	-260	-333	-401 ***	-701 ***	-480 ***	94	
AFDC-U	--	-529	-493 ***	-749 ***	-632 ***	54	
Impact on average total AFDC payments, years 1 and 2 ($)							
AFDC-FG	-411	-686 *	-729 ***	-1397 ***	-783 ***	226	
AFDC-U	--	-755	-922 ***	-1714 ***	-1142 ***	77	

(continued)

TABLE 4.1 (continued)

SOURCES: Tables 1.3, 1.4, 2.1, 3.1, A.1, and A.3.

NOTES: See Tables 1.3, 1.4, A.1, and A.3 for notes on participation data. See Tables 2.1 and 3.1 for notes on impact data.

Dashes indicate that the impact estimates have been omitted from this table. This is because of the small sample size on which they are based.

For participation measures, a chi-square test was applied to differences among counties. For impact measures, a two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) "n/a" refers to the fact that these data were not available for Alameda and Los Angeles counties.

(b) A test of statistical significance was not performed.

(c) The data for this measure include only those experimentals who participated in any education or training activity for at least one day.

II. The Effects of Serving Different Types of Welfare Recipients

Chapter 1 showed that the six counties served different types of welfare recipients. For example, Los Angeles and Alameda served only long-term recipients, while the other counties served applicants and short-term recipients as well as long-term recipients. The counties also varied widely in the proportion of their registrants who were determined to need basic education, ranging, for example, from 49 percent of the AFDC-FGs in Butte to more than 80 percent in Los Angeles.

The subgroup findings in Chapters 2 and 3 show that *within counties*, GAIN's effects on earnings were not the same for all registrants. These results are summarized in Tables 4.2 and 4.3. For example, Riverside's effects on earnings were larger for the subgroup determined *not* to need basic education than for the in-need subgroup. This was also true for San Diego and among the Alameda AFDC-FGs, where the two-year earnings impacts were concentrated almost exclusively in the former subgroup. Thus, the proportion of a county's entire sample that is composed of registrants not in need of basic education can influence the magnitude of its full-sample impacts on earnings.

Does this mean that the variation in impacts *across* the counties arose simply from the fact that they served different types of people? One way to address this question is to compare county impacts *within subgroups*. For example, using Table 4.2, it is possible to do this for the two basic education subgroups. This is a way to avoid, when ranking the counties, distortions that could arise from the fact that the in-need subgroup – one that may be more difficult to help – comprised a much larger share of the full sample in some counties than in others. In general, although the magnitudes of the impacts change, the overall pattern of county results holds.[2] For example, among the AFDC-FGs, Riverside still had large and statistically significant earnings gains *and* welfare savings for each of the two education subgroups. Tulare had no impacts that were statistically significant, and the other counties' results were mixed (i.e., they produced earnings impacts or welfare savings, but not always both, and not across both education subgroups, as in Riverside).

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[2]The overall variation in two-year impacts on earnings and welfare savings across the counties was found to be statistically significant for both the AFDC-FG and AFDC-U groups. The test used was a variant of the one suggested by Greenberg, Meyer, and Wiseman (1993), but was based on a pooled-mean impact derived from equal county weights. Alameda was excluded from the AFDC-U tests because of its small sample size.

It is important to note that, while many of the impact differences between pairs of counties appear to be quite large, they may not be statistically significant. One reason for this, as discussed in Chapter 3, is that statistical tests do not have a high degree of power when applied to differences among several counties. Given the limitations of these tests, this chapter draws inferences from county comparisons without regard to whether *pairwise* county differences are in fact statistically significant. However, it only infers that an important difference exists when some counties in a particular comparison have sizable and statistically significant *within-county* impacts while others in the comparison do not.

TABLE 4.2

SUMMARY OF SELECTED PARTICIPATION AND TWO-YEAR IMPACT MEASURES FOR GAIN REGISTRANTS DETERMINED EITHER NOT TO NEED OR TO NEED BASIC EDUCATION

Subgroup, Measure, and Sample	Alameda (a)	Butte	Los Angeles	Riverside	San Diego	Tulare	
Registrants determined not to need basic education							
Ever participated in any GAIN activity (%)							
AFDC-FG	61.7	48.9	40.3	65.4	60.0	62.0	***
AFDC-U	--	24.2	42.9	66.7	53.8	63.6	***
Ever participated in job search (%)							
AFDC-FG	49.8	32.6	24.7	45.7	38.2	43.0	***
AFDC-U	--	24.2	26.5	56.3	41.0	31.8	**
Ever participated in any education or training activity (%)							
AFDC-FG	37.8	20.7	21.3	24.7	30.0	32.9	***
AFDC-U	--	6.1	20.4	14.6	20.5	40.9	***
Impact on average total earnings, years 1 and 2 ($)							
AFDC-FG	1705 *	525	740	2662 ***	1817 ***	-773	
AFDC-U	--	3565 **	-1	2619 **	1593 *	-660	
Impact on average total AFDC payments, years 1 and 2 ($)							
AFDC-FG	-38	757	-1487 ***	-1372 ***	-873 ***	544	
AFDC-U	--	-1735 **	-2179 **	-2017 ***	-1089 **	341	
Proportion of impact sample (a) (%)							
AFDC-FG	34.6	51.2	19.4	39.8	43.9	34.9	(b)
AFDC-U	18.7	42.3	7.8	33.3	37.1	26.0	(b)

(continued)

TABLE 4.2 (continued)

Subgroup, Measure, and Sample	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare	
Registrants determined to need basic education							
Ever participated in any GAIN activity (%)							
AFDC-FG	63.9	37.0	53.9	57.5	51.1	60.3	***
AFDC-U	52.6	45.5	35.5	65.7	43.6	58.8	***
Ever participated in job search (%)							
AFDC-FG	14.0	5.6	8.8	28.7	22.6	8.2	***
AFDC-U	5.1	12.1	3.5	35.4	15.5	12.7	***
Ever participated in basic education (%)							
AFDC-FG	55.5	26.9	44.8	32.3	34.3	54.8	***
AFDC-U	51.3	30.3	31.0	38.4	31.8	50.0	***
Impact on average total earnings, years 1 and 2 ($)							
AFDC-FG	218	1479 **	-5	1760 ***	343	300	
AFDC-U	--	965	543 **	450	-225	-146	
Impact on average total AFDC payments, years 1 and 2 ($)							
AFDC-FG	-552 *	-2332 ***	-567 ***	-1374 ***	-707 ***	91	
AFDC-U	--	-43	-817 ***	-1617 ***	-1152 ***	-49	
Proportion of impact sample (a) (%)							
AFDC-FG	65.4	48.8	80.6	60.2	56.1	65.1	(b)
AFDC-U	81.3	57.7	92.2	66.7	62.9	74.0	(b)

SOURCES: Tables 2.3, 2.4, 3.3, 3.4, A.5, and A.6.

NOTES: Dashes indicate that the impact estimates have been omitted from this table. This is because of the small sample size on which they are based.

For participation measures, a chi-square test was applied to differences among counties. For impact measures, a two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) The data for this measure include all experimentals and controls in the impact sample. The impact sample is slightly smaller than the full research sample.

(b) A test of statistical significance was not performed.

It is also useful to consider county impacts for the three welfare history subgroups analyzed in this report: applicants, short-term recipients, and long-term recipients. As discussed in Chapters 2 and 3, these subgroups differ in the likelihood that they will remain on welfare for a long time in the absence of special services. For example, long-term recipients normally tend to stay on welfare for several years longer than individuals just starting to receive AFDC. Long-term recipients also tend to have lower skills levels and other barriers to employment. These have proven difficult to overcome in past welfare-to-work initiatives. It is therefore reasonable to expect that a county's full-sample impacts will partly reflect the proportion of long-term recipients it registered.

Table 4.3 presents counties' two-year impacts for each of the welfare history subgroups separately. When county comparisons are made within each of the subgroup categories, Riverside again emerges as having had the most consistent pattern of earnings increases and welfare savings across these categories, while Tulare had almost none and the patterns in the other counties were mixed.

Another way to assess the influence of serving different types of people involves re-estimating the earnings and welfare impacts for each county while statistically "controlling for" – *simultaneously* – a host of demographic characteristics that varied in prevalence across the counties' research samples. This kind of analysis (referred to as a "conditional impact analysis") is a way to estimate what the counties' impacts would have been if each county had served a clientele with a similar demographic profile. If the resulting cross-county patterns of impacts are consistent with the actual patterns estimated without these statistical adjustments, that would add further weight to the conclusion that the county differences in two-year effects were not simply a function of the types of individuals the counties served.

Using this method of analysis to control statistically for county differences on a variety of demographic characteristics,[3] earnings and welfare impacts were estimated for the full sample of AFDC-FG registrants, the subgroup determined to be in need of basic education, and the subgroup of long-term recipients. A similar set of estimates was computed for the AFDC-Us. Overall, the results show that, although the magnitude of some county impacts did change somewhat within each

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[3]Impact estimates for the full sample were obtained from an impact regression in which (in addition to the usual control variables) the following variable sets were interacted with the experimental group dummy: county, educational need subgroup, past welfare receipt subgroup, prior earnings, prior AFDC payments, receipt of a high school diploma, ethnicity, limited English proficiency, and whether the sample member is a refugee. Impact estimates for subgroups were obtained from the same regression run only on the selected subgroup sample and dropping that set of subgroup variables.

TABLE 4.3

SUMMARY OF SELECTED PARTICIPATION AND TWO-YEAR IMPACT MEASURES
FOR GAIN REGISTRANTS, BY WELFARE HISTORY SUBGROUPS

Subgroup, Measure, and Sample	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare	
Applicants							
Impact on average total earnings, years 1 and 2 (a) ($)							
AFDC-FG	n/a	469	n/a	1759 ***	1196 *	-75	
AFDC-U	n/a	1829 *	n/a	935	145	-575	
Impact on average total AFDC payments, years 1 and 2 (a) ($)							
AFDC-FG	n/a	-595	n/a	-1052 ***	-581 *	78	
AFDC-U	n/a	-361	n/a	-1775 ***	-1695 ***	-1387 *	
Proportion of impact sample (b) (%)							
AFDC-FG	0	60.3	0	31.0	28.0	13.9	(c)
AFDC-U	0	76.2	0	42.8	32.9	22.2	(c)
Short-term recipients							
Impact on average total earnings, years 1 and 2 (a) ($)							
AFDC-FG	n/a	1611	n/a	1989 ***	1678 ***	-802	
AFDC-U	n/a	1480	n/a	814	233	-66	
Impact on average total AFDC payments, years 1 and 2 (a) ($)							
AFDC-FG	n/a	-910	n/a	-1576 ***	-697 **	652	
AFDC-U	n/a	-3426 *	n/a	-2010 ***	-811 *	1083 ***	
Proportion of impact sample (b) (%)							
AFDC-FG	0	11.5	0	29.8	30.8	28.2	(c)
AFDC-U	0	11.8	0	37.3	37.7	42.2	(c)

(continued)

TABLE 4.3 (continued)

Subgroup, Measure, and Sample	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare	
Long-term recipients							
Ever participated in any GAIN activity (%)							
AFDC-FG	63.1	52.4	51.3	65.7	52.0	68.1	***
AFDC-U	56.3	--	36.0	76.0	40.0	56.4	***
Ever participated in job search (%)							
AFDC-FG	26.4	17.5	11.9	41.4	19.6	20.6	***
AFDC-U	14.6	--	5	44	15.6	7.3	(c)
Ever participated in any education or training activity (%)							
AFDC-FG	53.0	34.9	43.8	39.4	44.1	58.2	***
AFDC-U	51	--	32.7	44	33.3	52.7	(c)
Impact on average total earnings, years 1 and 2 ($)							
AFDC-FG	733 *	1464 **	108	2471 ***	539	106	
AFDC-U	254	1531	579 **	1859 **	525	-481	
Impact on average total AFDC payments, years 1 and 2 ($)							
AFDC-FG	-411	-812	-729 ***	-1550 ***	-1050 ***	39	
AFDC-U	341	-1662	-922 ***	-1285 *	-1010 **	-133	
Proportion of impact sample (b) (%)							
AFDC-FG	100.0	28.2	100.0	39.2	41.2	57.9	(c)
AFDC-U	100.0	12.1	100.0	19.9	29.4	35.7	(c)

SOURCES: Tables 1.2, 2.5, 2.6, 2.7, 3.5, 3.6, 3.7, A.5, and A.6.

NOTES: See Tables A.5 and A.6 for notes on participation data. See Tables 2.5, 2.6, 2.7, 3.5, 3.6, and 3.7 for notes on impact data.
Dashes indicate that the impact estimates have been omitted from this table. This is because of the small sample size on which they are based.

For all measures, a two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

(a) "n/a refers to the fact that these data were not available for Alameda and Los Angeles counties.

(b) The data for this measure include all experimentals and controls in the impact sample. The impact sample is slightly smaller than the full research sample.

(c) A test of statistical significance was not performed.

of these groups, the overall ranking of counties was essentially unchanged. A few caveats should be kept in mind. For one thing, controlling for still other demographic factors (achievement test scores in particular) might have caused more substantial changes in impacts, a possibility that will be explored in future reports. Furthermore, it may be impossible even with this technique to know the influence of some *unmeasured* differences in the characteristics of each county's clientele. Nonetheless, the results do support the interpretation that factors other than county differences in the types of welfare recipients they registered are more likely to explain the county variation in two-year impacts. Several such factors, including the local environment and the ways in which GAIN was implemented, are examined next.

III. The Influence of the Local Environment

The expected influence of the local environment, particularly the labor market, on a welfare-to-work program's impacts is not clear.[4] A program operating in a strong labor market may have an easier time placing welfare recipients into jobs, but it is also possible that recipients may do just as well on their own if jobs are plentiful, with the program producing little net effect. Alternatively, a weak labor market may hinder the efforts of welfare recipients to find work (or better-paying or longer-lasting jobs) regardless of whether they are in a welfare-to-work program. Or a weak labor market may make the assistance provided by the program more valuable, helping program registrants to locate and qualify for hard-to-find job openings.[5] This report explores these hypotheses using several different labor market measures.

A. Unemployment Rate

The top panel of Table 4.4 presents unemployment rates for the six counties during much of the follow-up period for this study. It shows that Tulare had by far the highest unemployment rate, averaging 14.2 percent during the period of random assignment and follow-up. (See Table 1.1 for the year-by-year unemployment rates.) Tulare was also the only county that produced neither two-year

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[4]The influence of the labor market on impacts may be complex because the labor market influences not only the opportunities for experimentals and controls to find work, but also the types of individuals – in terms of their motivation to work, job skills, education levels, and employment barriers – who come onto welfare and into the program in the first place.

[5]In fact, a number of studies of earlier welfare-to-work programs have found greater impacts for enrollees who entered the programs during periods of economic downturns compared to those who entered under more favorable economic conditions, at least in urban areas. Overall, however, the evidence on the influence of the local economy on a program's impacts is quite limited. See Gueron and Pauly, 1991, p. 186.

TABLE 4.4

SUMMARY OF SELECTED CHARACTERISTICS OF THE GAIN RESEARCH COUNTIES' LOCAL ENVIRONMENTS, PROGRAM ORGANIZATIONAL CAPACITY, AND CASE MANAGEMENT PRACTICES

Variable	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Local environment						
Average annual unemployment rate, from July of county's first year of random assignment to June 1992 (%)	4.8	8.6	6.9	8.6	5.0	14.2
Average annual change in number of county residents employed, from July of county's first year of random assignment to July 1992 (%)	-0.1	2.2	0.8	3.0	1.2	-1.4
Population living in rural areas, 1990 (%)	0.3	14.8	0.9	14.4	4.4	32.7
Employed in agriculture, 1989 (%)	0.3	5.2	0.3	5.2	1.2	28.9
Control group members ever employed (%)						
Year 1 of follow-up						
AFDC-FG	27.3	45.6	24.9	34.0	40.0	40.9
AFDC-U	20.2	44.1	29.4	48.6	50.1	51.2
Year 2 of follow-up						
AFDC-FG	26.0	42.2	22.7	35.4	40.8	42.2
AFDC-U	20.4	45.5	29.3	44.6	45.8	48.9
Organizational capacity						
Job club service provider (a)	EDD	GAIN (on-site)	EDD	EDD (on-site)	EDD/GAIN (on-site)	GAIN (on-site)
Registrant/case manager ratio reported by case managers (b)						
First staff survey wave	76.4	60.5	101.0	43.1/76.7 (c)	91.6	124.9
Second staff survey wave	72.9	65.8	145.2 (d)	63.7/124.1 (c)	114.9	87.6
Combined average from first and second wave	74.7	63.2	127.9	53.0/96.7 (c)	103.4	100.3

(continued)

TABLE 4.4 (continued)

Variable	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Special case managers for basic education participants?	No	No	No	No	Yes	No
Special GAIN counselors on-site at any education or training provider?	No	Yes	No	No	No	Yes
Job placement bonuses or standards for case managers?	No	No	Bonus payments	Placement standards	No	No
Staff who rated availability of a particular GAIN service as high (%)						
Job search	89.8	96.5	80.8	92.1	94.4	82.1
Basic education	94.5	77.2	82.5	82.3	63.6	90.5
Vocational education and training	79.7	82.5	28.7	54.4	83.7	76.8
Staff who rated a particular GAIN service as worthwhile for assigned registrants (%)						
Job search	60.3	80.7	27.9	65.1	76.5	78.6
Basic education	61.5	35.7	56.7	47.9	73.7	79.0
Vocational education and training	51.7	71.4	48.6	23.0	52.6	68.3
Selected staff background characteristics						
Average age (years)	45.2	39.5	34.0	39.9	41.8	38.8
Bachelor's degree or higher (%)	79.7	70.2	96.0	43.1	86.3	29.7
Previously worked in a WIN, JTPA, or other job training program (%)	20.3	38.6	38.4	50.4	62.7	20.2
Previously worked as an income maintenance worker (%)	89.7	57.1	17.5	47.0	67.8	60.7
Level of timeliness of monitoring information	Lower	Lower	Medium	Higher	Higher	Higher

(continued)

TABLE 4.4 (continued)

Variable	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Case management practices						
Emphasis on quick employment	Lower	Lower	Medium	Much Higher	Medium	Medium
Emphasis on formal enforcement	Much Lower	Medium	Much Higher	Much Higher	Medium	Lower
Emphasis on personalized attention	Higher	Higher	Lower	Lower	Medium	Higher

SOURCES: Tables 1.1, 2.1, and 3.1; MDRC Staff Activities and Attitudes Survey; and MDRC field research.

NOTES: (a) EDD refers to the Employment Development Department, California's employment service agency. In Alameda and Los Angeles, job club workshops were conducted by EDD staff at local EDD offices. In Riverside, EDD staff conducted these workshops at the GAIN offices until July 1991, after which GAIN staff took over this function. In San Diego, EDD staff conducted the job club workshops at the GAIN offices and were assisted by GAIN staff.

(b) These caseload sizes are the averages reported by staff on two waves of the staff survey and include the number of active and deferred registrants assigned to staff who performed ongoing case management duties. Within each county, the first wave of the survey was administered at approximately one year after the county began enrolling registrants into the GAIN program, and the second wave was administered at about two years after enrollment commenced.

(c) There are two ratios in Riverside because of the special test being conducted there to determine the effects of more intensive case management and monitoring. The first ratio is for the "low-caseload" group and the second is for the "higher-caseload" group. The weighted average for the two groups for both survey waves combined is 82.

(d) Caseloads were not normally this large; this estimate may have been affected by the timing of the second wave of the staff survey.

earnings increases nor welfare savings. Across the other counties, unemployment ranged between 4.8 percent and 8.6 percent during that period. However, this variation is not consistently related to the county impacts presented in the previous tables. In other words, with the possible exception of Tulare, a county's unemployment rate does not seem to have determined whether its impacts were larger or smaller. It may be that unemployment rates only matter or matter most when they reach extreme levels, as in Tulare.

B. Growth in the Number of Employed Residents

An alternative measure of a county's labor market is the average annual rate of growth in the number of residents who are employed. To perhaps a better extent than the unemployment rate, an increase in the number of people employed may signal an expansion of opportunities to find work. Table 4.4 presents this information for each county for the period between July of the year in which random assignment began in the county and July 1992 (the month just after data collection ended for this report in all counties). Riverside had the highest average annual growth rate, at 3 percent per year during the research period. (This growth was especially high during the first half of this period; it fell precipitously during the latter half.)[6] Butte had the next highest, at 2.2 percent, followed by San Diego, at 1.2 percent. Tulare fell at the other extreme, with a rate of -1.4 percent, although Los Angeles and Alameda also had very low rates: 0.8 percent and -0.1 percent, respectively.

Employment growth rates may have a greater consequence for GAIN's impacts than does a county's unemployment rate. For example, the pattern of county differences raises the possibility that Riverside's high growth rate may have contributed to that county's relatively large and more consistent impacts. In addition, the substantial negative growth in Tulare may have impeded the achievement of impacts in that county, although other information presented below raises some questions about that conclusion.

Also noteworthy is an association that emerges when the effects of employment growth on impacts are examined for the education subgroups: Where employment growth rates were higher, GAIN's earnings increases and welfare savings for AFDC-FG registrants in need of basic education tended to be larger.[7] In part, this finding reflects the fact that the two counties with the only

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[6]Another indicator provides additional evidence of Riverside's comparatively strong employment growth. Between July 1988 and July 1992, the number of non-agricultural payroll workers reported by employers in the U.S. Department of Labor's Current Employment Statistics survey rose in the Riverside-San Bernadino Standard Metropolitan Statistical Area (SMSA) by 12.4 percent, or an average of 3.0 percent per year. However, all of this growth occurred in the first half of this period, from July 1988 to July 1990.

[7]For AFDC-FGs determined to need basic education, the bivariate correlations (i.e., when no other differences across the counties are controlled) between the average annual rate of employment growth and county impacts are 0.79 (out of a maximum value of plus or minus 1.00) for earnings and 0.82 for AFDC

(continued...)

statistically significant earnings impacts and the largest AFDC impacts for this subgroup – Butte and Riverside – had the highest growth rates. A relationship may also exist between the employment growth rate and earnings impacts for AFDC-Us determined *not* to need basic education. It should be stressed, however, that these associations do not in themselves offer firm evidence of causal links between the local economy and GAIN's effectiveness for these subgroups, but they do suggest that the possibility of such relationships exists and is worthy of further exploration with longer-term follow-up data.

At the same time, the data suggest that GAIN's effectiveness for other registrants may depend less on local economic conditions. Indeed, it is noteworthy that Alameda achieved substantial and statistically significant earnings impacts for AFDC-FGs determined *not* to need basic education, despite a slightly negative average annual rate of employment growth in the county. Furthermore, the small earnings impacts for Riverside's AFDC-U in-need subgroup indicates that even comparatively high growth offers no guarantee of GAIN's success for every subgroup.

C. Control Group Earnings

The control group's earnings can serve as a useful gauge of the combination of local economic conditions and sample members' propensity for earnings in the absence of GAIN. These earnings are determined by the opportunities to find work in the local labor market and the quality of jobs available, as well as by individuals' motivation to look for work (either in their own county or in another locality), their skills, their barriers to employment, and so on. Because members of the control group were completely unaffected by GAIN, their average earnings represent what the experimentals would have earned without the program's influence as a result of those opportunities and personal characteristics and circumstances. Thus, a finding that the control group's earnings are strongly related to GAIN's impacts across the counties would support the hypothesis that the county variation in impacts was shaped by county differences in the types of people they served, their local economies, or a combination of these two factors.

The evidence suggests, however, that the variation in two-year earnings impacts was *not* strongly and consistently related to the level of the controls' earnings. This can be illustrated using Figures

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[7](...continued)
savings, which are statistically significant at the 10 percent and 5 percent levels, respectively, for a two-tailed test. When Riverside and Tulare – which, respectively, had the largest and smallest values on the employment growth and impact measures – are dropped from the comparison, these correlations are virtually unchanged, although the degree of significance drops.

4.1 and 4.2. Figure 4.1a presents average earnings in follow-up years 1 and 2 in each county for the full sample of AFDC-FGs. The experimental group's earnings are represented by the lined bars, and the control group's are represented by the shaded bars. A county's impact is indicated by the *difference* between the lengths of the bars for the two groups. As the figure illustrates, the control group's earnings in Alameda and Los Angeles were nearly identical. But the experimentals' earnings, and hence the counties' impacts, differed substantially. And as Figure 4.1d shows for AFDC-FGs determined to need basic education, five of the six counties (San Diego was the exception) had control groups with fairly comparable earnings but produced widely different impacts. Other comparisons using the graphs in Figures 4.1 and 4.2 reveal no overall pattern whereby counties with larger or smaller impacts had control groups with consistently higher or lower average earnings. These findings thus further support the proposition that counties' two-year impacts were not solely a function of the types of individuals they served or local economic conditions – at least as far as these could be measured for this study.

D. The Role of the Economy in Tulare

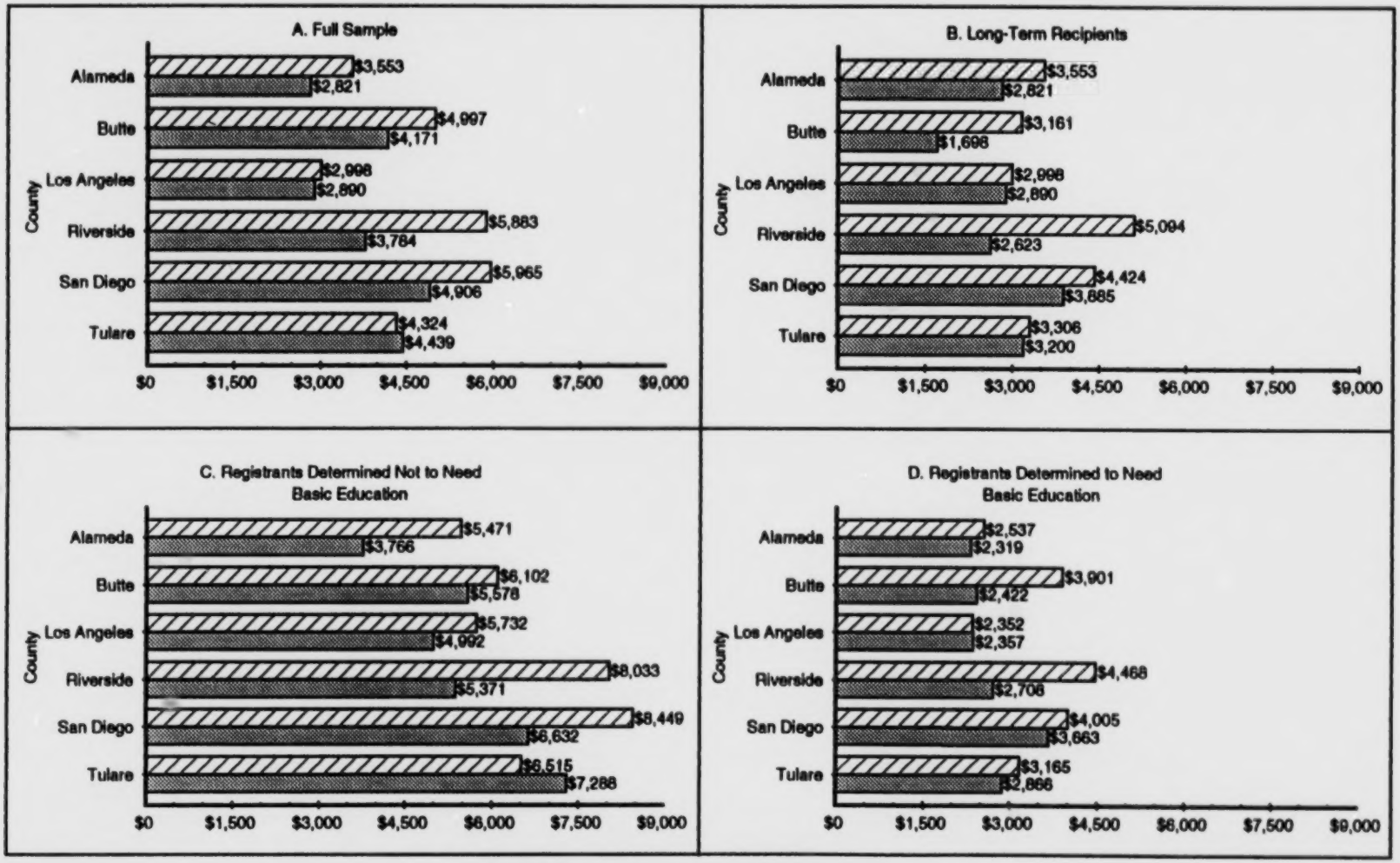
To what extent can Tulare's generally small impacts be accounted for by the economic conditions in that county? Its very high unemployment rate and negative employment growth, compounded by the effects of a severe winter freeze in 1991, raise the possibility that local opportunities for employment were so limited that GAIN simply could not be successful no matter how it was operated.

Two observations cast some doubt on this conclusion. First, compared to the controls in other counties, those in Tulare had a relatively high level of average earnings in the two-year follow-up period (see Figures 4.1 and 4.2). For example, among all AFDC-FGs, Tulare's controls earned 17 percent more than their counterparts in Riverside, and among those determined *not* to need basic education, they earned 36 percent more. At the very least, it is clear that Tulare's controls were no more handicapped in obtaining earnings than were the controls in other counties. (See also the employment rates for controls in Table 4.4.)

This may be explained by a second observation. The rates of growth in the number of employed persons cited above refer to rates within each county's geographic boundaries. However, in reality, labor markets are not rigidly defined by county lines. Thus, many controls, like other residents of Tulare, may have worked in contiguous counties, or moved to locations where job

FIGURE 4.1

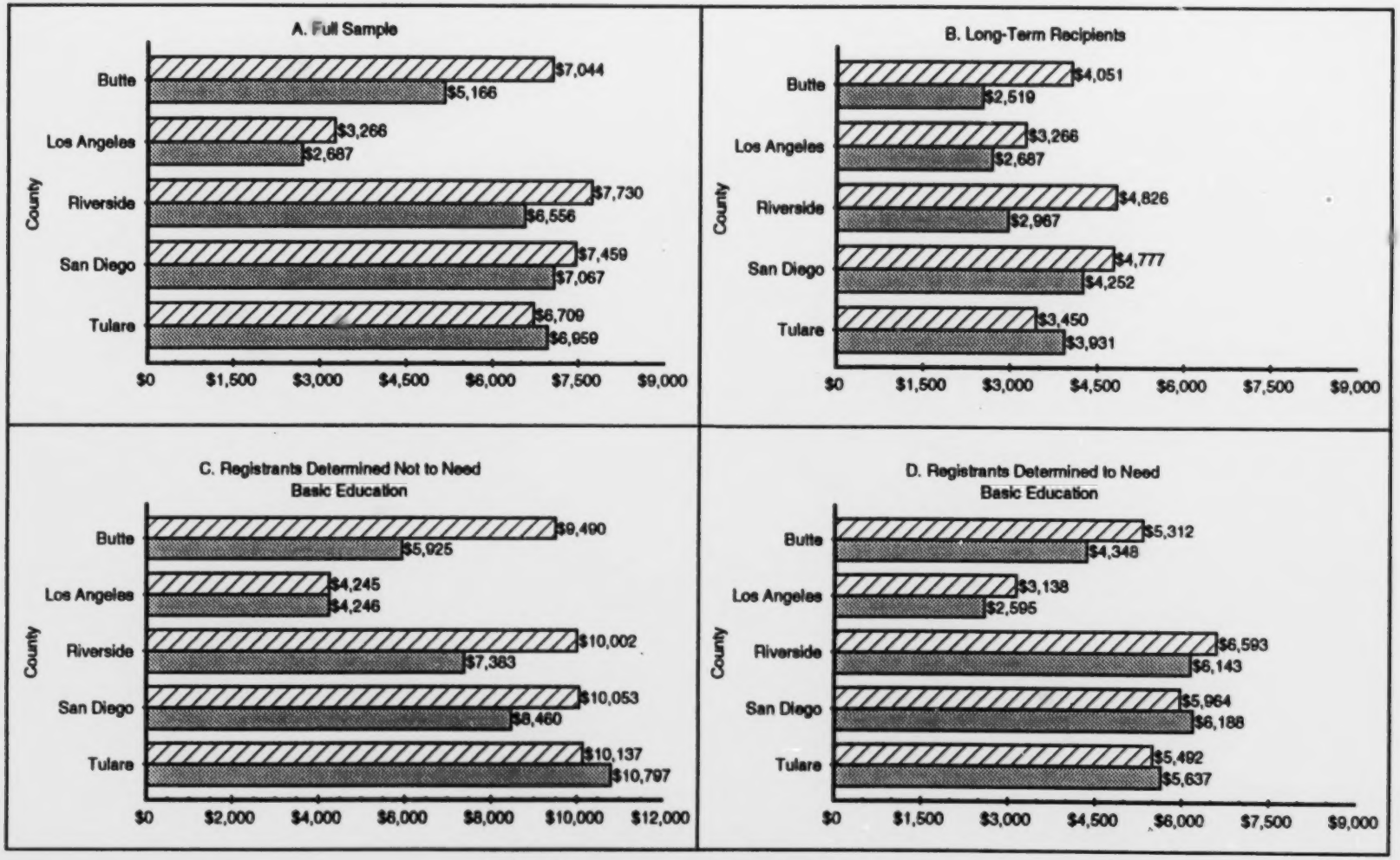
COMPARISON OF TWO-YEAR EARNINGS
AMONG AFDC-FG EXPERIMENTALS AND CONTROLS, BY SELECTED SUBGROUPS



SOURCES AND NOTES: See Tables 2.1, 2.3, 2.4, and 2.7.

FIGURE 4.2

COMPARISON OF TWO-YEAR EARNINGS
AMONG AFDC-U EXPERIMENTALS AND CONTROLS, BY SELECTED SUBGROUPS



SOURCES AND NOTES: See Tables 3.1, 3.2, 3.3, 3.4, and 3.7.

opportunities were greater.[8] Indeed, an alternative measure of employment growth shows that, in the two SMSAs adjacent to Tulare, the number of jobs reported by employers increased between July 1989 and July 1991 (the latest date for which data are currently available).[9] Perhaps controls in Tulare were able to find work more easily in these areas, helping to account for their relatively high earnings.

It is possible that other characteristics of Tulare's local economy influenced the county's impacts. Among the six research counties, Tulare is distinguished not only by its high unemployment rate but also by the fact that it is by far the most rural county and the one with the highest proportion of the local population (29 percent) employed in agriculture. Tulare's results, in fact, are consistent with the lack of impacts in a small number of other experimental studies of welfare-to-work programs in rural environments.[10] It may be that welfare-to-work programs in general are less likely to be effective in this kind of labor market. Nonetheless, while some features of Tulare's local economy may have hindered its success in the two-year follow-up period, it is by no means certain that this is the only or even the primary factor.[11]

In sum, a comparison of the six counties indicates that GAIN had effects during the first two years on earnings or welfare savings, or both, under a variety of local conditions and for different types of welfare recipients. Further, the pattern of more consistent and generally larger earnings gains and welfare savings in Riverside appears not to be fully explained by the conditions of its local

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[8]Because the earnings data on all sample members come from the statewide Unemployment Insurance information system, they include all reported earnings that sample members in one county may have earned at jobs in other California counties.

[9]Averaging the data for these two areas – the Fresno and Bakersfield SMSAs – the total number of payroll workers reported by employers in the U.S. Department of Labor's Current Employment Statistics survey increased from 243,400 jobs in July 1989 to 255,300 jobs in July 1990. Although the number of jobs then declined to 254,300 by July 1991, the change over these two years represents an overall increase of 4.5 percent.

[10]See Gueron and Pauly, 1991, p. 186.

[11]It is interesting to note that Tulare's AFDC-FG and AFDC-U controls determined *not* to need basic education had the highest levels of control group earnings among the six counties. While there may not be an overall relationship between control earnings and program impacts, this high level of control earnings in Tulare, *in conjunction with* the fact that Tulare's experimentals had comparatively high rates of participation in education and training activities (as discussed below), may mean that Tulare's GAIN program involved a higher upfront "opportunity cost" for this subgroup. In other words, compared to the programs in the other counties, the program in Tulare may have caused experimentals to forego, while they took part in education and training, a more substantial amount of the earnings that they otherwise would have acquired in the first two years in the absence of GAIN. If so, this would help to explain why Tulare, unlike any other county, produced *negative* (though not statistically significant) earnings impacts for these subgroups in the first two years of follow-up (see Table 4.2).

labor market or the particular composition of its research sample. However, the possibility that Riverside's program received an "extra boost" from the county's favorable economic conditions cannot be ruled out. Finally, Tulare's highly consistent absence of statistically significant positive impacts may partly reflect its rural labor market and adverse economic conditions, but this is by no means certain.

IV. The Relationship Between County Participation Patterns and County Impacts

If county differences in the types of people they served and the characteristics of their local environment – at least as far as these dimensions could be measured for this report – do not satisfactorily explain the county variation in two-year impacts, it is important to ask whether the differences in the GAIN treatment across the counties may have affected impacts. As discussed in Chapter 1, registrants' patterns of participation in GAIN activities are one key aspect of this treatment.

A. The Influence of Participation in Any GAIN Activity

Table 4.1 (top panel) shows the proportion of experimentals "ever participating" in a GAIN activity. A comparison of the counties on this measure and on their earnings and welfare impacts (bottom panel) shows no consistent relationship. For example, Alameda, Riverside, and Tulare had among the highest participation rates (ranging from 60 percent to 63 percent) for AFDC-FGs but quite different patterns of impacts.

A county's overall participation rate thus appears not to be a good predictor of its two-year impacts. This does not mean that participation does not matter. It is possible that there is a certain threshold level of participation that is a prerequisite for impacts, and that the participation rates in the six counties all exceeded it. It is also possible that GAIN's impacts came about because the program, at least in some counties, affected the behavior of *nonparticipants* as well as participants. For example, GAIN's participation obligation may have encouraged some individuals to seek a part-time or full-time job, or simply to leave welfare, in order to avoid going to school or another GAIN activity.

B. The Influence of Participation in Job Search

A somewhat more complex picture emerges when the different types of GAIN activities are considered, and particularly when comparisons are made within the two basic education subgroups (see Table 4.2). For example, among the AFDC-FGs who were determined *not* to need basic

education, some relationship may exist between the percentage of registrants participating in job search and the two-year earnings impacts. As Table 4.2 shows, three of the four counties with the highest job search participation rates – Alameda, Riverside, and San Diego, where the rates ranged from 38 percent to 50 percent – had by far the largest earnings impacts for this subgroup. Tulare, with a job search participation rate of 43 percent, is the exception to this pattern.[12]

However, this apparent relationship between job search and earnings impacts did not hold for the AFDC-FGs who were determined *to* need basic education. In fact, the only two counties that showed substantial earnings effects for the in-need subgroup – Butte and Riverside – had vastly different rates of job search participation (6 percent and 29 percent, respectively). Finally, there appears to be no strong association between this job search measure and earnings impacts among AFDC-Us, or between that measure and welfare impacts for either the AFDC-FGs or AFDC-Us.

C. The Influence of Participation in Basic Education

Across all six counties, a somewhat higher or substantially higher proportion of AFDC-FGs in need of basic education took part in basic education than in job search. Interestingly, the county comparisons suggest that, where this subgroup's rate of participation in basic education was higher, GAIN's two-year earnings impacts were *smaller*. As shown in Table 4.2, three of the four counties with the highest rates of participation in basic education – Alameda, Los Angeles, and Tulare (where the rates ranged from 45 percent to 56 percent) – were among the four (San Diego was the fourth) that had small impacts on earnings, which were not statistically significant. Butte and Riverside, in contrast, had lower rates of participation in basic education (27 percent and 32 percent, respectively), but relatively large and statistically significant earnings impacts.[13] (San Diego, with participation rates close to Riverside's, is an important exception to the overall pattern.) In general, the same pattern appears to hold for two-year welfare impacts: Welfare savings for the AFDC-FGs in-need subgroup tended to be smaller where participation in basic education was higher.[14] (Among AFDC-

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[12]When none of the other differences across the counties are controlled, the correlation between the job search participation rate and the impact on earnings for the AFDC-FGs *not* in need of basic education is 0.32 (and not statistically significant) for the six counties. When Tulare is dropped from this comparison, the correlation increases to 0.77, although it does not become statistically significant.

[13]Controlling for none of the other differences across the six counties, the correlation between the basic education participation rate and the earnings impact for AFDC-FGs determined to need basic education is -0.73, which is statistically significant at the 10 percent level for a two-tailed test. This correlation remains virtually unchanged (although the results are no longer statistically significant) when Riverside (which had the largest impacts for this subgroup relative to the other counties) is kept out of the comparison.

[14]When none of the other differences across the counties are controlled, the correlation between the rate of participation in basic education and welfare savings for the in-need AFDC-FGs was -0.85 for all six counties, which is statistically significant at the 5 percent level for a two-tailed test. This correlation is changed only slightly when Riverside is dropped from the comparison.

Us determined to need basic education, the relationship between participation in this activity and impacts on earnings and welfare payments was less strong and consistent.)

The positive results for Butte and Riverside for the AFDC-FG in-need subgroup are particularly striking because these two counties adopted such *different* strategies for implementing GAIN. Furthermore, it is seems unlikely that their positive effects came from exposing basic education participants to educational activities or schools of exceptional quality. Although quality is very difficult to judge, it is notable that responses to a relevant staff survey question, which asked case managers "how worthwhile" they believed the basic education services in their county to be for the registrants assigned to them, suggest just the opposite. As shown in Table 4.4, only 36 percent and 48 percent of the staff in Butte and Riverside, respectively, gave a high rating to basic education, compared to 57 percent to 79 percent in the other four counties. (Ratings of basic education were especially high in San Diego and Tulare.)[15]

What most distinguished Butte and Riverside from the other four counties (aside from their comparatively lower rates of participation in basic education) was their relatively high rates of employment growth. As previously discussed, some evidence suggests that, in general, GAIN might work better for the AFDC-FG in-need subgroup in a growing economy, although it cannot be proven with the data available for this study.

In interpreting these results, it is important to bear in mind that basic education represents an investment whose full benefits may only be evident over a number of years. Perhaps, as already noted in the discussion of Tulare, the small two-year impacts in several counties simply reflect larger opportunity costs for the experimental group that arise in the short term from a greater use of this activity. Maybe counties that did not achieve substantial two-year earnings impacts for the in-need subgroup will produce them in the longer run.

Indeed, as discussed in Chapter 2, GAIN's impacts on earnings for the early cohort of the AFDC-FGs in need of basic education in counties other than Butte and Riverside did become more noteworthy in the third year of follow-up. For example, in Alameda, San Diego, and Tulare, the earnings impacts varied between $111 and $181 per quarter for at least some of the quarters for which data are available, representing relative increases of 23 percent to almost 60 percent over the

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[15]In San Diego, the results reflect the very high regard case managers had for the GAIN Learning Centers, which, as noted above, provided individualized and computer-aided instruction exclusively for GAIN students. The schools in Tulare also provided a great deal of individualized instruction to students, in some cases making extraordinary efforts to cultivate, in classrooms devoted exclusively to GAIN students, a supportive environment for learning.

control group's earnings. (Impacts also appeared to increase in Los Angeles in the third year, although they remained under $100 per quarter.) While these effects were not always statistically significant and are estimated for small subsamples, they nevertheless offer some indication that earnings impacts for the in-need subgroup continued to grow after two years. (They also continued to grow in Butte. They declined somewhat in Riverside but were still sizable and statistically significant.) Perhaps the basic education activities received by the in-need subgroup contributed to this longer-term growth in impacts.

It is also important to consider the possibility that basic education played a role in producing the already sizable impacts observed for the AFDC-FG in-need subgroup in Butte and Riverside in the first two years of follow-up. As noted above, a smaller but still substantial proportion of the in-need subgroup in those two counties took part in basic education activities, and it is possible that these participants began to experience earnings gains and welfare reductions even in the short term as a direct consequence of their involvement in the activity. Perhaps basic education's effectiveness in the short term depends on the presence of other program characteristics and conditions, which were present in Butte and Riverside (e.g., a growing economy).

D. The Influence of Participation in Post-Secondary Education and Vocational Training

In addition to basic education, GAIN registrants could take part in a number of other education and training activities. As discussed in Chapter 1, these included self-initiated education and training and post-assessment activities, which were typically vocationally oriented post-secondary courses at community colleges or occupational training courses provided by JTPA agencies and other training centers and schools. These activities comprised only a small portion of the education and training used by registrants in need of basic education, but almost all of the education and training for those determined *not* to need basic education (see Appendix Tables A.5 and A.6).

Among AFDC-FGs in the subgroup *not* needing basic education, participation in *any* education and training ranged from 21 percent to 38 percent across the six counties,[16] as indicated in Table 4.2. When these rates are compared with each county's impacts on earnings and welfare payments, no strong relationships emerge for this subgroup. This does not imply that education and training activities were irrelevant to the counties' generally positive two-year impacts on these registrants; it

[16]These rates would have been at least somewhat higher in all counties if participation could have been measured for more than 11 months of follow-up, since, at the end of that follow-up period, many experimentals were still registered for GAIN. Some had yet to reach the assessment stage of the program, while others had been assessed and were waiting to commence an education and training assignment.

simply means that having a rate of entry into such activities that exceeded the 21 percent rate in Butte and Los Angeles did not appear to produce consistently larger (or smaller) impacts.

The story is different for the AFDC-Us. The counties exhibited wide variation in the use of education and training for those determined *not* to need basic education, with rates of entry into these activities ranging from 6 percent to 41 percent. As Table 4.2 shows, earnings gains for AFDC-Us in the not-in-need subgroup were highest in the two counties where the use of these activities was lowest (Butte and Riverside). Again, this pattern may partly reflect a continuing opportunity cost associated with higher rates of participation in human capital development activities. (Two-year welfare savings for this subgroup appear to have been less affected by the level of entry into these activities.)

E. A Special Comparison of the Early Cohorts in Need of Basic Education

The participation data cited above for four counties (Butte, Riverside, San Diego, and Tulare) are based on subsamples of experimentals in the "early cohort" impact samples, which were defined in Chapters 2 and 3. However, the impact findings discussed in this chapter are based on both the early and late cohorts. Therefore, it is important to consider whether or not this disparity in samples for the two different types of data is distorting the true pattern of relationships between the participation and impact variables. This is of particular concern in San Diego, where the use of basic education may have increased for the late cohort. In that county, basic education was provided through a network of specialized Learning Centers. These were programs established at local public adult schools and community colleges to serve GAIN participants exclusively, with a strong emphasis on individualized and computer-aided instruction. Early on, however, the supply of slots in these centers was insufficient to meet the demand. Some registrants were placed on a waiting list for several months before they could begin basic education and, in the meantime, were referred to job search activities, resulting in a heavier use of that activity as a first component than the county had originally intended. The backlog was eventually eliminated, although data for determining whether or not the rate of participation in basic education actually increased for the later cohort in this study are not available.

It is thus useful to reexamine the relationships between participation and two-year impacts for just the early cohorts in each of the counties, and particularly in San Diego. This was done for AFDC-FGs in need of basic education. In general, the cross-county pattern did not change appreciably from what was reported above using the impact findings for the early and late cohorts

combined: Earnings and welfare impacts tended to be larger in the counties where the basic education participation rate was lower. However, San Diego's year 2 impact was larger for its *early* in-need cohort ($492) than for its early and late in-need cohorts combined ($269), and it became statistically significant. (At the same time, this implies that San Diego's impact on the *late* in-need cohort, which presumably had greater access to basic education, was lower than the impact on the two cohorts combined.)[17]

F. The Potential Importance of Other Measures

It is important to stress that other measures of participation that were not investigated for this report may have had a stronger association with impacts than the "ever participated" or "types of activity" measures used here. These might include the regularity with which registrants attended their assigned activities, the probability of completing those activities, and the overall length of participation in them (which, because of truncation problems, could not be fully estimated within the 11-month follow-up period for participation data). It may be that what matters most for impacts is the *ongoing* character of participation.[18] Other features of the schools and classrooms in which the education is provided may also be relevant.

Finally, the rates at which members of the control group participated in education activities on their own might vary across the counties in ways that do not match the cross-county pattern evident among the experimentals alone. For example, it is possible that a county with a high rate of participation among experimentals also had a high rate of participation among controls, so that the differential in participation between the two groups was actually lower than in some counties where participation among the experimentals alone was lower. If so, this would alter the conclusion about the relationship between education and impacts suggested by the data presented in this report. Future MDRC reports, drawing upon additional data, will investigate these issues in greater depth.

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[17]It is also useful to compare San Diego and Riverside directly. As Chapter 2 pointed out, the two counties had quite similar impact trends when the analysis compared each county's entire early cohort, i.e., including both of the education subgroups. When the analysis is limited to the early in-need cohort of AFDC-FGs in each county, San Diego's earnings impact for the entire two-year follow-up period ($656, which was not statistically significant) was still lower than Riverside's ($1,660, a statistically significant increase). This difference occurred despite the fact that San Diego and Riverside had fairly similar rates of participation in job search for this subgroup (23 percent compared to 29 percent, respectively), in basic education (34 percent compared to 32 percent), and in any education and training (43 percent compared to 42 percent). Thus, the larger impacts in Riverside compared to San Diego's for the early cohort of AFDC-FG registrants in need of basic education cannot be explained by a difference in participation patterns, at least as these were measured for this report.

[18]Data on registrants' attendance in basic education and their rates of completion of that activity will be presented in a future MDRC report.

V. An Overview of County Differences in Implementation Strategies

The GAIN "treatment," through which counties aim to move welfare recipients into jobs and off welfare, consists of a great variety of elements. Participation in the program's activities is fundamental. However, participation patterns are by no means the whole story, for what registrants experience in GAIN is heavily influenced by how the program is implemented and what kinds of direct interactions registrants have with staff.[19] This section examines whether some of these implementation strategies help to account for the county differences in the two-year impact results. (MDRC's previous report on GAIN provides a full description of these strategies and other implementation approaches and conditions.)[20]

In many welfare-to-work programs, it is through the case managers that the mission of the program is communicated to registrants and the efforts of the welfare department to influence their behavior are expressed. It is thus reasonable to expect, as many administrators do, that the way the role of case manager is defined and put into practice may have a great influence on the program's effectiveness in moving registrants into jobs and off welfare.

The previous report focused on several alternative ways of providing case management in welfare-to-work programs. These dimensions of program implementation embody competing theories of how welfare-to-work programs can most effectively help welfare recipients progress toward self-sufficiency. They also have important implications for how a program's resources will be allocated. Consequently, it is important for administrators to know whether some of these approaches have a more favorable influence on impacts than others. The next few sections summarize the main patterns of county variation along these dimensions and consider some of the implications of this variation for explaining county differences in two-year impacts. For ease of presentation, the discussion considers the potential influence of each of these factors independently. It should be recognized, however, that with a sample of only six counties, it is not truly possible to isolate any variable's independent influence on GAIN's impacts. Therefore, a later section considers how these and other implementation factors are combined in different ways, and whether these *combinations* of factors might help to explain the county variation in impacts.

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[19]It is important to stress that the descriptions of county practices in this chapter are based on information collected no later than mid-1991, and prior to that in most cases. This is the relevant information for describing the "treatment" those in the research sample experienced. However, some of the information does not portray the counties' *current* modes of operating GAIN. All of the counties have continued to revise their implementation strategies as they have acquired more experience in operating this very complex welfare-to-work initiative, and in response to changes in funding and other circumstances.

[20]See Riccio and Friedlander, 1992, Chapter 3.

A. The Degree of Emphasis on Quick Job Entry Vs. More Education and Training

An important decision that GAIN administrators (and those of other JOBS programs) must make is how much to emphasize the goal of moving registrants into the labor market quickly (even if it means taking relatively low-paying jobs) versus encouraging them to get more education or training so as to prepare themselves for better-paying jobs in the future. Although the GAIN model's prescribed sequences of services (see Chapter 1) limit the ways in which counties can choose to prepare welfare recipients for employment, the counties can substantially influence the direction taken by the program through the policies and practices staff follow on a day-to-day basis. Supporting the quick job entry approach is a view that almost any job is a positive first step, and that advancement will come through acquiring a work history and learning skills on the job. Support for the second approach comes from the view that low-paying jobs will not get many recipients off welfare or keep them from returning to the rolls. Many proponents of this view hold that education and training are needed to raise recipients' skills so that recipients can become permanently employed in jobs that offer wages and benefits exceeding what they could receive on welfare. Prior research offers little guidance for judging which approach is likely to yield bigger impacts on employment and welfare over the longer term.[21]

It must be stressed that a county's emphasis on quick job entry may or may not be reflected in the proportion of registrants participating in job search. For example, two counties with similar job search participation rates might present very different "messages" to registrants about employment. As an illustration, staff in some counties tend to discourage registrants who enter job search from seeking very low-paying or "dead-end" jobs, urging them instead to take full advantage of the program's subsequent option for more education and training. They advise registrants to view upfront job search as an "informational experience," which would provide job-seeking skills and would be valuable after further education and training.[22] In other counties, the primary objective of job

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[21]This question will be studied directly in the national JOBS evaluation, using a random assignment research design. In three evaluation sites, welfare recipients are being randomly assigned to a "labor force attachment" stream, which aims to move clients into jobs as quickly as possible; a "human capital development" stream, which emphasizes longer-term education and training; or a non-JOBS control group. The employment, earnings, and welfare outcomes for each group over a follow-up period lasting several years will be compared to determine the relative effectiveness of each strategy. Riverside County is one of the three sites conducting this test. The first set of impact findings from that study are scheduled to be available in 1996.

[22]One illustration of how the use of upfront job search need not emphasize rapid employment is from Alameda. Reflecting its strong commitment to education and training as a path to getting jobs that offer a better chance to get off or stay off welfare, Alameda went further than any of the other counties in using job club as an "informational experience." Participants on a designated job club track (which accounted for the majority assigned to upfront job search) were not necessarily expected to look for a job that they could enter

(continued...)

search is to encourage immediate employment, with lower priority attached to the starting wage rate.[23] These different messages about employment may also be communicated at other junctures in the program, including the initial orientation and appraisal sessions, and during ongoing contacts with registrants who are in education activities, are temporarily deferred from participation, or are waiting to be assigned to a new activity.

The six counties examined for this report varied in how they wanted to prepare registrants for employment. To compare counties, a scale was constructed using data from a staff survey.[24] The stronger a county staff's emphasis on quick employment, the higher the county's score on this scale. The summary data for each county are presented in Figure 4.3a, where a higher score is represented by a longer bar.

Riverside clearly stands apart from the other counties on this dimension: Its staff placed much more emphasis on moving registrants into the labor market quickly than did the staff in any other county. Alameda and Butte had the lowest scores. Los Angeles, San Diego, and Tulare rank in between, but closer to Alameda and Butte than to Riverside.[25]

The emphasis in Riverside on quick employment was created, in part, by assigning case managers job placement standards. Further, supervisory units and district offices were assigned job placement goals as well, culminating in a county-wide goal. (None of the other evaluation counties had such a policy.)[26] Administrators created these standards to send a clear message to staff that

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[22](...continued)
immediately. They were to find out from employers what kinds of qualifications were required and what wages and benefits they could expect from different types of work. This information was intended primarily to help registrants pick an education and training program when they got to the GAIN assessment. A number of GAIN staff described this component as essentially "career exploration."

[23]These alternative approaches to job search were also observed in MDRC's 1989 report on the early implementation of GAIN in a different set of counties. See Riccio et al., 1989, pp. 216-17.

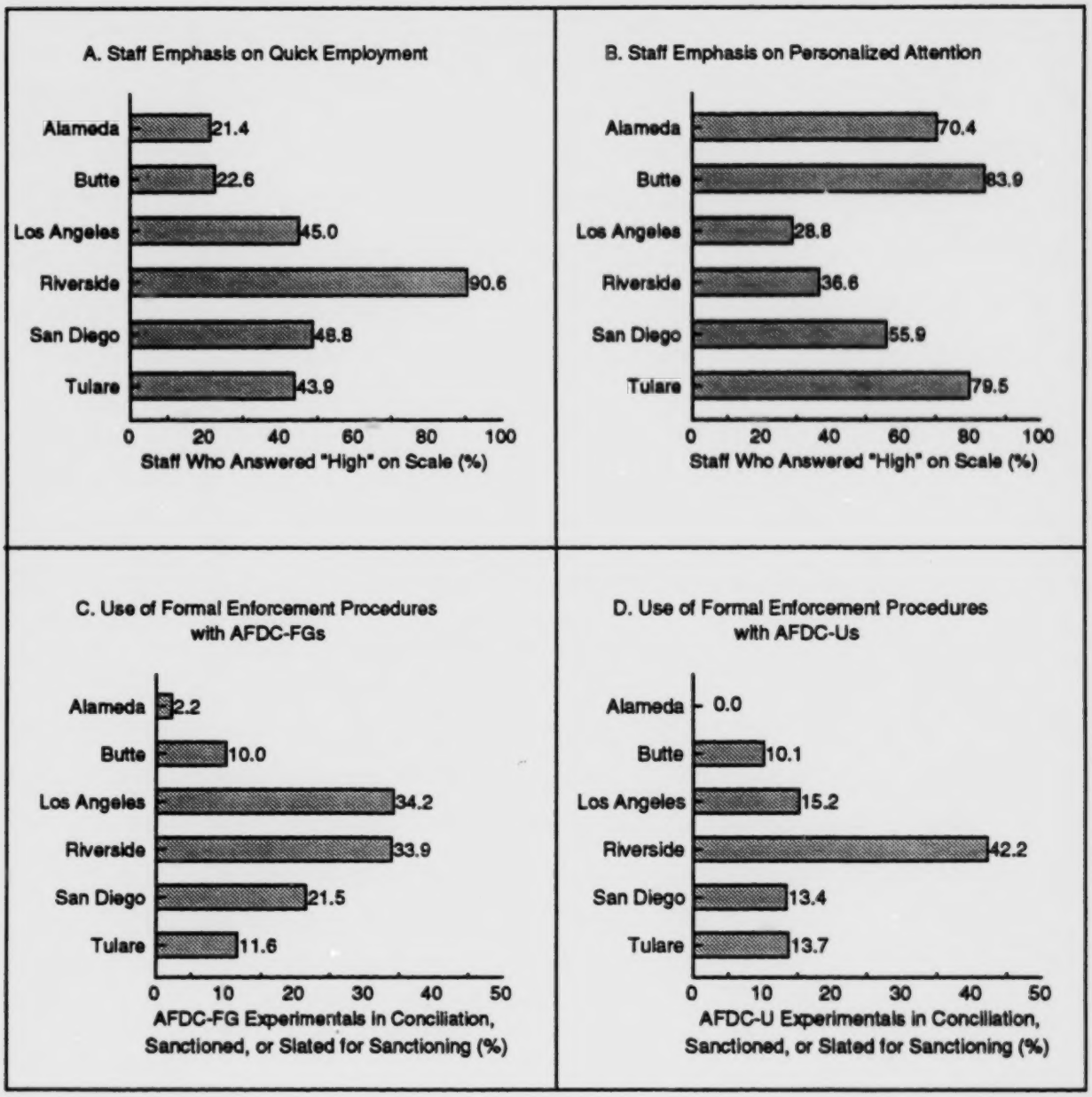
[24]For a description of the methodology that was used to create scales based on the staff survey, see Riccio and Friedlander, 1992.

[25]Riverside's distinction on this dimension can be seen more clearly when the responses to two of the items in the scale are examined. Staff in all counties were asked, "Based on the practices in your agency today, what would you say is the most important goal of your agency: to help clients get jobs as quickly as possible or to raise the education or skill levels of clients so that they can get jobs in the future?" In Riverside, 95 percent of the case managers rated quick job entry as a much stronger program focus than education and training. In the other counties, fewer than 20 percent gave a similar response. Another item asked hypothetically about a welfare recipient who was offered a low-paying job that would make her slightly better off financially. Would the respondent advise her to "take the job and leave welfare" or "stay on welfare and wait for a better opportunity"? In Riverside, 69 percent of respondents said they would "very strongly" urge her to take the job; only 23 percent in Alameda, and no more than 40 percent in the other counties, gave this answer.

[26]However, Los Angeles established a concrete incentive for case managers to help registrants obtain jobs. Here, the reward was monetary. Staff were entitled to a $100 bonus payment for each of their registrants who
(continued...)

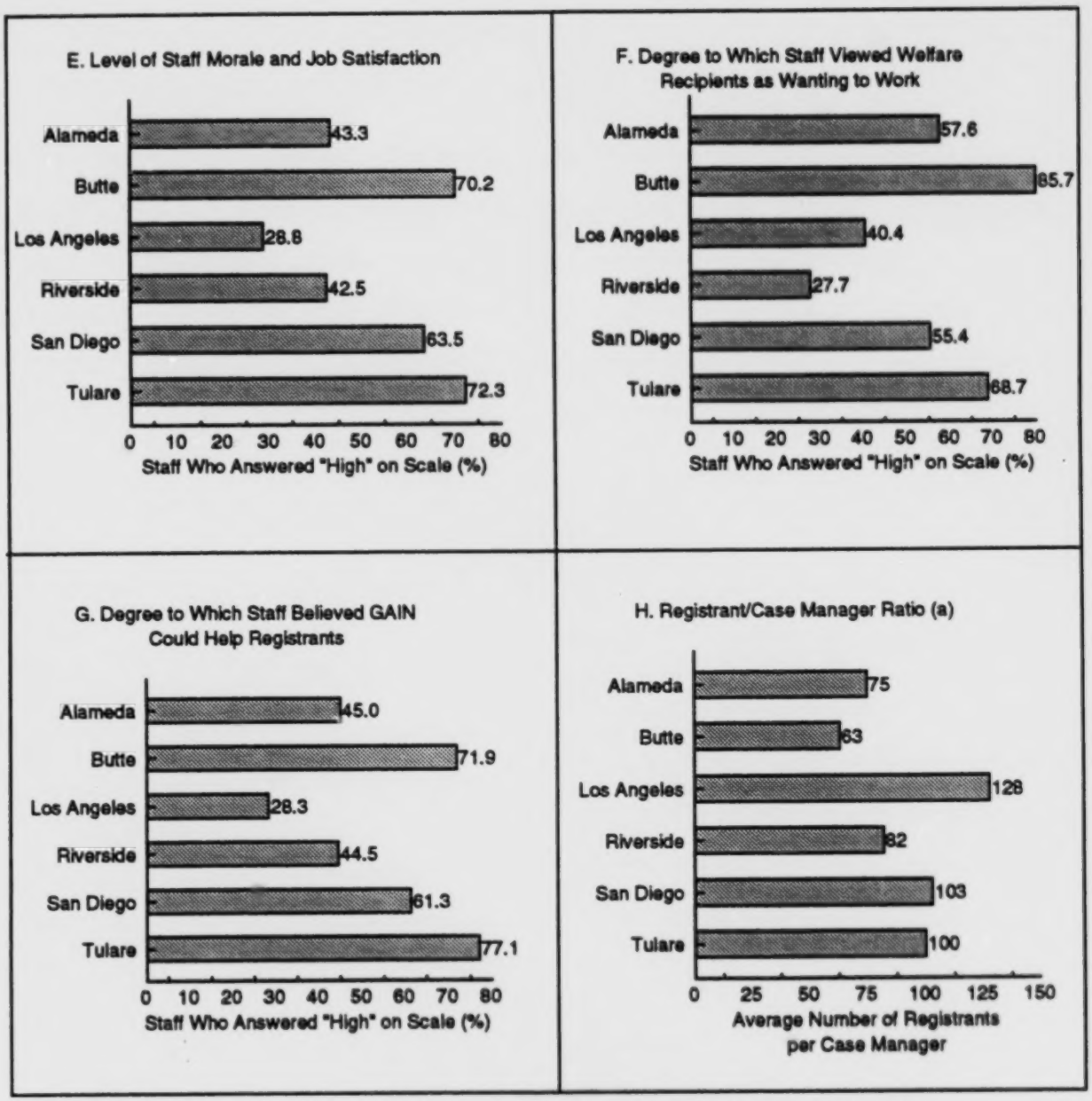
FIGURE 4.3

COUNTY DIFFERENCES IN SELECTED IMPLEMENTATION PRACTICES AND CONDITIONS



(continued)

FIGURE 4.3 (continued)



SOURCES: MDRC Staff Activities and Attitudes Survey, MDRC's participant flow sample, and Table 4.4.

NOTES: (a) The ratios are based on the combined average from the first and second waves of the staff survey.

job placements were a high priority for the agency. How well staff met their job placement standards (which applied to registrants in education and training activities as well as to those in job search) was an important determinant of their overall job performance ratings. In general, staff reported that the standards were not terribly difficult to meet, given the number of registrants with whom they worked, but felt pressure to achieve, and even exceed, them. However, there was no evidence that Riverside staff were "creaming" their caseload -- in other words, giving more attention to registrants who seemed most job-ready -- in order to reach their standards.[27] Also in Riverside, each local office had its own job developer, who established contacts with the employers in the community and encouraged them to call the GAIN office when they had positions open. Other counties gave much less priority to direct job development.[28]

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[26](...continued)
found a job that led to a 50 percent or greater reduction in their welfare grant or a departure from welfare for at least six months. However, the incentive value of these bonuses was limited by, among other things, the fact that so many registrants were assigned to basic education (as was required by another county policy), so the kinds of job placements that would lead to the bonuses were not quickly forthcoming.

[27]This is a common risk associated with placement standards. These tendencies were kept in check by the management's expectation that staff would work with, and be able to account for, their entire GAIN caseload. For example, a staff member would not be evaluated positively if he or she had achieved high placement rates but at the same time had failed to assign to a GAIN activity other registrants who were expected to participate, or had excused registrants inappropriately from the participation requirement through excessive deferrals. Indeed, implementing GAIN's participation obligation for welfare recipients -- an objective to which Riverside's administrators were also committed -- required staff to work with all registrants on their caseloads, not just the most motivated or easiest to place.

[28]Riverside's job development efforts raise the question of whether these efforts had the unintended consequence of indirectly reducing opportunities for the control group. In other words, did the controls have more difficulty obtaining jobs precisely because employers gave first or exclusive preference to GAIN participants? If controls had less access to jobs for this reason, it would mean that the estimates of the program's impact on experimentals' employment and earnings are misleading. There is no evidence at hand indicating that controls were systematically excluded from jobs by Riverside's job development efforts on behalf of experimentals. At best, Riverside's job development efforts may have helped experimentals locate and apply for jobs soon after openings became known, but this did not guarantee that they would be hired over other people. Furthermore, it seems implausible that these job development efforts would severely depress the job options available to controls. Riverside's entire research sample was small (7,831, including 1,784 controls) relative to the magnitude of Riverside's overall economy, which, in mid-1990, had almost 20,000 employers within its boundaries and almost 431,000 employed residents. Also, the earnings of the AFDC-FG control group in Riverside were not consistently lower than those of the controls in all of the other counties. Furthermore, between the first and second years of follow-up, the earnings of Riverside's AFDC-FG control group increased by 44 percent (the largest increase in the six counties), despite Riverside's job development efforts for the experimental group. This is not to say, however, that in any of the six research counties an increase in employment among experimentals (regardless of how it is achieved by a county's GAIN program) causes no reduction in employment opportunities for some other residents in a county. The extent of such "displacement," if it occurs, is extremely difficult to measure. Nonetheless, it is an issue relevant to interpreting a program's benefit-cost ratio and will be discussed in MDRC's final report on GAIN.

Riverside's much higher ranking on the quick job entry scale suggests that this strong emphasis may have been an important ingredient that helped it achieve its overall impressive pattern of impacts. The five other counties differed much less from one another in the emphasis they placed on quick employment than they each differed from Riverside. These smaller differences were not associated with the magnitude of the counties' earnings or welfare impacts, for either AFDC-FG or AFDC-U registrants.

B. The Issue of Personalized Attention

In addition to deciding how much to emphasize quick job entry versus more education and skills training, administrators of welfare-to-work programs must consider how much personalized attention registrants will receive. On this dimension, too, the six counties varied. Moreover, these variations appear to be correlated with other program characteristics, such as a county's registrant-to-case manager ratio (personalized attention was typically higher where case managers had fewer registrants assigned to them)[29] and the organizational climate within the GAIN office (staff tended to have more "positive" views of the program, their jobs, and welfare recipients where personalized attention was higher).[30] Figure 4.3 and Table 4.4 show how the counties compare on these dimensions.

The nature of the case managers' role in GAIN permits staff variation across counties in the execution of their responsibilities. For example, case managers may differ in *how much* they attempt to learn about registrants' personal histories and circumstances; *how much* they discuss the implications of choosing basic education over job search, or different kinds of job search, or different kinds of child care; *how much* they try to accommodate registrants' individual needs, situations, and preferences in making service assignments; and *how much* they stress persuasion, cajoling, counseling, and problem-solving when faced with registrants who are reluctant to participate or fail to do so consistently. Counties that more strongly emphasize personalized attention tend to view this as a way to increase registrants' interest in GAIN and their desire to participate in its activities, to greatly lessen the need to rely on financial sanctions to enforce the participation mandate,[31] and, ultimately, to produce larger impacts on employment, earnings, and welfare savings.

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[29]This relationship is clearer when comparing the counties using data on registrant-to-case manager ratios from the second wave of the staff survey, as shown in Table 4.4.

[30]It may be that more personalized attention is the kind of service that GAIN staff themselves prefer to provide, and that when they are providing this type of service, they view their work, their clients, and the program overall in more optimistic terms.

[31]There is no *necessary* relationship between the level of personalized attention and the ultimate sanctioning rate in a county. A county could resort to sanctions *or* continue to avoid them after early attempts at persuasion failed to achieve cooperation.

According to a scale used to measure each county's relative emphasis on personalized attention, Butte and Tulare staff reported the strongest emphasis. It is interesting to note that, in Butte, the decision to limit caseload sizes in the face of a waiting list for the program clearly reflected a view that it is better to serve fewer welfare recipients with more personalized attention than to provide less attention in order to serve a higher volume of recipients (see Chapter 1). Alameda and San Diego ranked lower, but were fairly close to Butte and Tulare. Los Angeles and Riverside had the lowest relative scores (see Figure 4.3b). It must be stressed that, as with all of the rankings based on the staff survey, a "lower" score indicates a lower ranking only relative to the other counties in this study and should not be interpreted as a "low" ranking in an absolute sense. Indeed, in most of the counties, most staff gave responses suggesting a moderate to high degree of personalized attention. It is certainly possible that, on the whole, the level of attention provided in most counties far exceeded what occurs in some other welfare-to-work programs. Nonetheless, the six counties did differ substantially among themselves in the degree to which these concerns were the focus of case managers' interactions with registrants.[32] (This same caution applies to all other measures and county comparisons based on the staff survey.)

When the county rankings on this dimension are compared with their earnings impacts, no consistent relationships emerge for AFDC-FGs or AFDC-Us. However, a negative association may exist between the emphasis on personalized attention and welfare savings, particularly among AFDC-FGs determined *not* to need basic education. As shown in Table 4.2, the three counties that most strongly emphasized personalized attention – Alameda, Butte, and Tulare – had virtually no welfare savings or appeared to increase the amount of welfare received (although at levels that were not statistically significant) for this subgroup. Moreover, the two counties ranking lowest on this dimension – Los Angeles and Riverside – had the largest welfare savings for this subgroup. The association was weaker among AFDC-FGs in need of basic education and among AFDC-Us.[33]

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[32]Staff responses to a question about the appraisal process illustrate the differences among counties: "In this type of interview, how much effort does the staff make to learn about the client's goals and motivations to work *in-depth*?" More than 75 percent of the staff in Butte and Tulare answered "a great deal" compared to 36 percent to 52 percent of staff in the other counties. A second item asked about the assessment process: "In your opinion, how well is GAIN tailoring the education, training, and work experience services that clients receive to their particular needs, circumstances, and goals?" Approximately 60 percent of the staff in Tulare answered "very well" compared to about 22 percent of the staff in Los Angeles and Riverside. (These county differences are consistent with information obtained through on-site observation and interviews.)

[33]For this subgroup, the bivariate correlation between personalized attention and welfare reductions was -0.98, which was statistically significant at the 1 percent level for a two-tailed test.

C. Responding to Noncompliance Through Formal Enforcement

Administrators of mandatory welfare-to-work programs generally have some discretion in operationalizing the formal enforcement process – and, in particular, financial sanctions – as a method of securing registrants' compliance with the program's participation obligation. In the GAIN program, there is an official multi-step process for imposing penalties on registrants who fail to attend their assigned activity regularly. It begins with the registrant's being sent a Notice of Participation Problems (a "GAIN-22" form) outlining the sanctions that may be applied if the problems continue. If compliance is not forthcoming, a "conciliation" process is initiated, providing another opportunity to resolve the problem and avoid a sanction. The financial sanctions are the final step and involve a reduction in the size of the welfare grant.[34]

Some administrators believe that high compliance can be achieved without a heavy reliance on sanctions, and that great efforts should be made to avoid imposing them except as a last resort. Others believe that sanctions are an essential tool for obtaining compliance and that, as long as the enforcement process is administered fairly, case managers should not take extraordinary steps to avoid using them.

Figures 4.3c and 4.3d show how counties compare in terms of the proportion of AFDC-FG and AFDC-U experimentals for whom staff invoked GAIN's formal enforcement procedures during the 11-month follow-up period for the tracking data. For each graph, a longer bar indicates that a higher proportion of registrants were either placed in conciliation, slated for sanctioning (i.e., deregistered from GAIN with a request to the Income Maintenance department to sanction), or actually sanctioned (see Tables 1.3 and 1.4 for rates of requested and actual sanctions).

Overall, Los Angeles and Riverside stand out as having had the highest rates of invoking GAIN's formal enforcement mechanism among the AFDC-FGs, using these procedures for about 34 percent of those registrants within the first 11 months after random assignment. (However, they actually imposed sanctions on only 5.4 percent and 6.0 percent of AFDC-FG experimentals,

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[34]The participation problem notice instructs the registrant to call or visit the case manager for a "cause determination" meeting and warns that a failure to respond may affect the registrant's welfare benefits. If no "good cause" is found to account for the participation problem, the next step is conciliation, an attempt by the case manager (and sometimes involving the supervisor) to get the registrant to agree to begin participating as required. The final step is financial sanctioning, whereby the registrants' welfare grants are reduced by eliminating their share of the grant until they cooperate. Prior to implementation of the JOBS regulation (when about 55 percent of the sample in this study was randomly assigned), a sanction for AFDC-FG registrants meant a reduction in their welfare grant for three or six months; for AFDC-U registrants, it meant the termination of their welfare grant for three or six months. The duration of the sanction in both cases depended on whether the registrant was in noncompliance for the first or second time.

respectively).[35] Alameda, Butte, and Tulare were at the lower end, relying on formal enforcement procedures for about 2 percent to 12 percent of AFDC-FGs. San Diego ranked between these two groups of counties. Among the AFDC-Us, Riverside stands out at the high end, invoking enforcement procedures for about 42 percent of that group (but actually sanctioning only 6.8 percent). Alameda was at the extreme low end, although, as previously mentioned, the county served very few AFDC-Us. The remaining counties varied little from one another, with rates of about 10 percent to 15 percent.

When these patterns are compared to the two-year impact findings, they indicate no consistent relationship between formal enforcement and earnings effects for AFDC-FGs or AFDC-Us. However, some association with welfare savings may exist, at least for the AFDC-FGs. As the data in Figure 4.3 and Table 4.1 suggest, welfare savings among the full sample of AFDC-FGs were the lowest in the three counties (Alameda, Butte, and Tulare) that used formal enforcement the least.[36] (These are the same three counties that placed the highest emphasis on personalized attention, as discussed in the previous section.) At the same time, the savings in the counties that used formal enforcement more often were not always much larger. For example, even though more than three times as many AFDC-FG registrants in Los Angeles as in Butte (34 percent compared to 10 percent) were subject to formal enforcement procedures, both counties had fairly similar welfare savings ($686 and $783, respectively). It is also noteworthy that in some cases substantial welfare savings were achieved with a fairly low use of formal enforcement (or actual sanctions), as was the case in San Diego for the AFDC-Us. These observations suggest that, while the use of formal enforcement may contribute to welfare savings, it is not necessarily the main determinant for all registrant groups in all counties.

To the extent that formal enforcement does influence welfare impacts, it may offer one explanation for why counties sometimes produced significant welfare savings without appreciable earnings gains for some registrant groups. For example, the fact that Los Angeles made relatively high use of GAIN's formal enforcement mechanisms may help to explain why it achieved welfare

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[35]Some registrants who were slated for sanctioning left AFDC before the sanction took effect. See Riverside County Department of Public Social Services, 1992.

[36]Across the six counties, the bivariate correlation between the level of formal enforcement and welfare savings for all AFDC-FG registrants was 0.74, which was statistically significant at the 10 percent level for a two-tailed test. It is also interesting to note that, for the not-in-need of basic education AFDC-FG subgroup, Alameda, Butte, and Tulare -- where the level of formal enforcement was the lowest -- were the only three counties where welfare payments over the two-year follow-up period were either unchanged or actually *higher* for experimentals compared to controls (although the increases were not statistically significant).

savings for AFDC-FGs with only small and not statistically significant earnings gains (see Table 4.1 and Figure 4.3a).

Any effect that enforcement may have had on welfare savings in any of the counties may have been due, in part, to the simple fact that sanctions – to the extent that they were used – directly reduce the welfare grant. How much of these savings may have come directly from people who were sanctioned is difficult to determine, however. It may be that at least some of the savings came from recipients who were not actually sanctioned but whose decisions about leaving welfare were influenced by the requirement to participate in an activity, backed up by the threat of sanctions. For example, a strong emphasis on enforcement may send a "tougher" message to registrants about GAIN's participation obligation, which may influence individuals who are never sanctioned. It might even encourage some registrants to leave welfare – and hence GAIN – without ever taking part in a program activity, and possibly without ever being sanctioned. It may be that formal enforcement can work through a variety of channels to influence welfare savings, although the exact processes have not been investigated for this report.

VI. The Influence of Alternative Combinations of Implementation Strategies and Conditions on GAIN's Two-Year Impacts

A. An Overall Assessment

As the foregoing review demonstrates, the counties' implementation approaches varied substantially. This is not surprising given California's state-supervised but county-operated welfare system. Yet, despite these differences, five of the six produced at least some positive – and growing – impacts in the first two years of follow-up. In particular, a number of counties produced statistically significant earnings gains and welfare reductions, even though they made very different choices regarding how much to emphasize quick job entry, formal enforcement, and personalized attention (and regarding other program dimensions, including the types of staff they hired to serve as case managers[37]) and despite the fact that they operated the program under quite different economic conditions and registered welfare recipients who, as a group, had quite different demographic profiles and patterns of participation in GAIN activities. For example, Butte, like Riverside, produced statistically significant earnings increases for AFDC-FG registrants who were considered in need of basic education. Yet Butte, in contrast to Riverside, achieved its results while

[37]See Table 4.4 for data on county variations on several measures of staff background characteristics and other implementation factors.

placing a much lower emphasis on quick job entry, a higher emphasis on personalized attention, and a much lower emphasis on formal enforcement. Alameda, Riverside, and San Diego all had statistically significant earnings increases for AFDC-FG registrants determined *not* to need basic education, in the face of other combinations of rankings on these dimensions. These findings support the general conclusion that a variety of approaches to implementing GAIN can produce two-year impacts on earnings and welfare payments. This is a promising result because variations in implementation are always likely to occur and because differences in local environments are an inescapable fact of life. However, the Tulare results offer an important warning that GAIN may not necessarily produce positive impacts under all conditions and with any approach, at least in the short term.

B. The Case of Riverside

While evidence of GAIN's effectiveness was found in five of the six study counties, Riverside continues to stand out by virtue of the overall magnitude and consistency of its impacts, as it did in MDRC's 1992 analysis of GAIN's first-year impacts. Unlike any other county, Riverside produced both earnings gains *and* welfare savings in *all* of the AFDC-FG subgroups studied, demonstrating that it could achieve relatively short-term impacts on each of these important measures for a broad segment of the GAIN caseload. And while its earnings impacts on AFDC-Us declined in the second year, its two-year earnings and welfare effects for that group were still relatively large. For these reasons, it is important to ask what was *distinctive* about Riverside that might explain its comparatively robust pattern of impacts. Although this study cannot prove the causality of any single program feature or set of factors, a number of interpretations are worth considering.

As previously discussed, one of Riverside's most distinctive features was its unusually strong employment "message," which emphasized to registrants the importance of getting into jobs quickly. Perhaps this pervasive message – backed up by the county's strong job development efforts and its use of job placement standards for case managers – affected how much effort registrants (across a number of subgroups) made to look for a job, and how willing they were to accept a job with relatively low pay.

This does not mean that Riverside was "just a job search program"; quite the contrary. Although it had a relatively high job search participation rate (e.g., 34 percent among all AFDC-FG experimentals), it had an equally high rate of participation in education and training activities. As shown in Table 4.1, 36 percent of Riverside's AFDC-FG experimentals participated in some type of education or training (most of which was basic education and self-initiated post-secondary education,

or occupational training). These participants represent a majority – 60 percent – of those experimentals who entered any GAIN activity in this county. Overall, it is this roughly equal balance between job search and education and training that most distinguishes Riverside's AFDC-FG participation pattern from that of the other counties. Elsewhere, participation in education and training usually exceeded participation in job search by a larger margin than in Riverside. Among AFDC-Us, Riverside was the only county in which the rate of participation in job search exceeded the rate of participation in education and training, although, again, these rates were closer than in most of the other counties (see Table 4.1).

Along many other dimensions that (theoretically) might be related to a program's effectiveness, Riverside was not unique. For example, while its overall participation rate (counting all GAIN activities) among AFDC-FGs was high (60 percent), it was no higher than in Alameda and Tulare. And while Riverside ranked high in its reliance on the formal penalty mechanisms to enforce GAIN's participation mandate, so did Los Angeles. Like Butte, it had a growing economy. Each of these factors, alone, thus does not explain Riverside's performance.

It also seems unlikely that Riverside's results can be attributed simply to the availability or quality of its services, if staff perceptions of these services are any guide. Riverside does not stand out from the other counties as having the most (or least) favorable ranking on these dimensions (see Table 4.4). Riverside also does not stand out in terms of the educational levels of its staff, although, along with San Diego, a higher proportion of Riverside's staff had previously worked in an education or training program, such as a Work Incentive (WIN) or JTPA program, which may have helped prepare them to operate GAIN. Furthermore, Riverside did not (during the period of the implementation study) have the highest or most favorable ranking (compared to the other counties) in terms of the line staff's job satisfaction and morale, its perceptions of welfare recipients' desire to work, its belief in GAIN's ability to help registrants, and its registrant-to-case manager ratio (see Figure 4.3).

What most distinguished Riverside from the other counties – and, therefore, what might have contributed to Riverside's more favorable results (although this cannot be proven with the available data) – was its particular *combination* of practices and conditions. Its pervasive employment message and job development efforts, its strong commitment to securing the participation of all mandatory registrants (and having adequate resources to apply this objective), its greater reliance on GAIN's formal enforcement mechanisms (a strategy that, in general, may be associated with greater welfare savings across the six counties), and its more equal use of job search and education and training activities comprised a constellation of practices not found in any other county. And, as previously

mentioned, Riverside's approach may have enjoyed an "added boost" from its growing economy. (The Riverside results also suggest that the high levels of personalized attention found in several of the other counties may not be essential for producing large impacts in the short run, since Riverside ranked lower by comparison on this dimension.)

VII. Will the Pattern of County Impacts Change in the Longer Run?

While Riverside achieved the largest and most consistent two-year impacts on earnings and welfare savings, it is too soon to tell whether or not this pattern will continue in the long run. Longer-term follow-up data will be essential for assessing the relative effectiveness of county programs because, as discussed throughout this report, all of the counties – including Riverside – made a substantial investment in education and training programs, which take longer for a registrant to complete than job search activities (see Chapter 1). Indeed, in five of the six counties, participation rates in these activities were substantially higher than participation rates in job search. Furthermore, in three of the four counties where the duration of participation could be measured, half or more of the experimentals were registered for GAIN at the end of the 11-month follow-up period for the participation analysis. Many of these individuals were continuing to participate in GAIN education or training activities, or were waiting to do so, with this participation extending at least partly into the second year of follow-up. (Some had finished one activity and had been referred to another.) The full "payoff" of this investment may not be evident until some time beyond the period studied for this report.

It is therefore possible that counties using different implementation approaches will have longer-term impacts as large as Riverside's. Or they may do as well or better for specific subgroups, such as long-term recipients or individuals determined not to need basic education. Furthermore, if Riverside's unusual economic growth contributed to its more robust impacts, it is reasonable to ask whether counties using alternative implementation approaches would themselves have achieved bigger effects (or whether they will in the future) had they operated their programs under similar economic conditions, and whether Riverside's impacts will attenuate under the less favorable economic conditions that have been observed more recently in that county. These important questions remain open at this time. Policymakers and administrators should therefore be cautious in drawing final conclusions from this study about what kinds of approaches to implementing GAIN work best. They need to recognize that, across five of the six counties, quite different approaches produced modest-to-

large earnings gains or welfare savings (or both) within the two-year follow-up period, and that additional effects are expected to occur after this period.

MDRC's continuing evaluation will measure GAIN's impacts in the six counties over a longer follow-up period and will reexamine the relationship of county implementation conditions and strategies to county impacts. In addition, future reports will draw upon the registrant survey and other data to examine the program's effects on a wider array of outcomes, estimate its benefits and costs, and explore the role played by some other factors (that could not be examined in this report) in shaping GAIN's effectiveness in moving welfare recipients into jobs and off welfare.

APPENDICES

APPENDIX A

SUPPLEMENTAL TABLES AND FIGURE TO CHAPTER 1

FIGURE A.1

OVERVIEW OF THE INTAKE AND RANDOM ASSIGNMENT PROCESS FOR THE GAIN EVALUATION

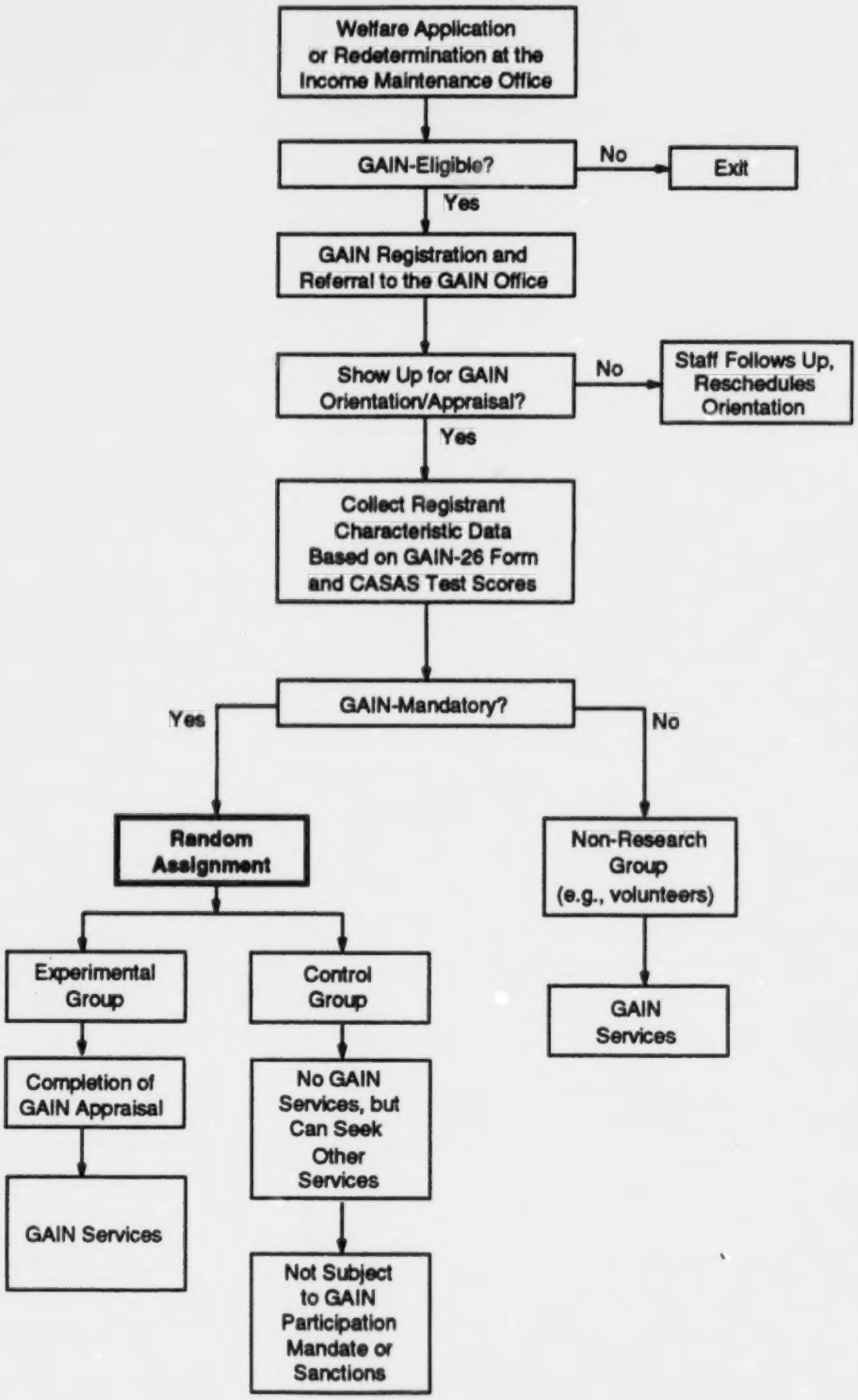

TABLE A.1

LENGTH OF TIME THAT AFDC-FG EXPERIMENTALS WERE REGISTERED FOR GAIN AND PARTICIPATED IN SELECTED ACTIVITIES WITHIN 11 MONTHS AFTER ORIENTATION

Sample and Measure	Butte	Riverside	San Diego	Tulare
All experimentals				
Average number of months registered for GAIN during follow-up (a)	8.6	5.9	8.0	8.7
Length of time registered for GAIN during follow-up (a) (%)				
1 month or less	1.5	12.5	1.6	6.2
2-6 months	23.5	39.9	29.1	16.4
7-11 months	26.0	27.0	25.9	28.4
More than 11 months	49.0	20.6	43.4	49.0
Total	100.0	100.0	100.0	100.0
Was a GAIN registrant at end of 11 months (%)	52.5	30.6	49.8	64.0
Average number of months participating in GAIN activities during follow-up (a)	2.4	3.2	3.1	4.2
Sample size	200	248	247	225
Experimentals who started selected GAIN activities (b)				
Average number of months during follow-up participating in (a)				
Job search	0.5	0.7	0.7	0.6
Basic education (c)	2.4	3.8	2.5	4.6
Self-initiated activities	4.6	6.1	5.1	--
Post-assessment activities	--	--	3.2	3.2
In activity at end of 11 months among those starting the activity (%)				
Job search	2.8	3.5	1.4	2.2
Basic education (c)	43.3	16.7	17.0	32.9
Self-initiated activities	65.0	27.3	21.1	--
Post-assessment activities	--	--	45.0	47.6
Any education or training activity	56.4	20.0	23.9	38.7
Length of time participating in basic education during follow-up (a,c) (%)				
1 month or less	33.3	22.2	29.8	17.1
2-6 months	60.0	50.0	57.4	43.9
More than 6 months	6.7	27.8	12.8	39.0
Total	100.0	100.0	100.0	100.0
Average number of months participating in any education or training activity during follow-up (a)	3.3	4.7	3.9	4.9
Sample size (d)	n/a	n/a	n/a	n/a

(continued)

TABLE A.1 (continued)

SOURCE: MDRC's participant flow sample.

NOTES: Data were not available for Alameda and Los Angeles counties.
Dashes indicate that the sample size is under 20; therefore, the calculation has been omitted.
Distributions may not add to 100.0 percent because of rounding.
A test of statistical significance was not performed.
(a) "Follow-up" refers to the 11 months after orientation.
(b) The data in this panel include only those experimentals who participated in the specified activity for at least one day.
(c) GED preparation, ABE, and ESL.
(d) The sample size varies among the measures in this panel; see Table A.2.

TABLE A.2

AFDC-FG EXPERIMENTAL SAMPLE SIZES FOR EACH MEASURE IN THE BOTTOM PANEL OF TABLE A.1

Sample and Measure in Table A.1	Sample Size			
	Butte	Riverside	San Diego	Tulare
Experimentals who started selected GAIN activities (a)				
Average number of months during follow-up participating in (b)				
Job search	36	85	73	46
Basic education (c)	30	54	47	82
Self-initiated activities	20	33	38	17
Post-assessment activities	8	6	20	21
In activity at end of 11 months among those starting the activity (%)				
Job search	36	85	73	46
Basic education (c)	30	54	47	82
Self-initiated activities	20	33	38	17
Post-assessment activities	8	6	20	21
Any education or training activity	55	90	92	111
Length of time participating in basic education during follow-up (b,c) (%)				
1 month or less	30	54	47	82
2-6 months	30	54	47	82
More than 6 months	30	54	47	82
Total	30	54	47	82
Average number of months participating in any education or training activity during follow-up (b)	55	90	92	111

SOURCE: MDRC's participant flow sample.

NOTES: Data were not available for Alameda and Los Angeles counties.
(a) The data include only those experimentals who participated in the specified activity for at least one day.
(b) "Follow-up" refers to the 11 months after orientation.
(c) GED preparation, ABE, and ESL.

TABLE A.3

LENGTH OF TIME THAT AFDC-U EXPERIMENTALS WERE REGISTERED FOR GAIN AND PARTICIPATED IN SELECTED ACTIVITIES WITHIN 11 MONTHS AFTER ORIENTATION

Sample and Measure	Butte	Riverside	San Diego	Tulare
All experimentals				
Average number of months registered for GAIN during follow-up (a)	7.6	5.6	8.1	8.5
Length of time registered for GAIN during follow-up (a) (%)				
1 month or less	1.0	8.2	1.3	5.6
2-6 months	38.4	50.3	28.9	19.4
7-11 months	24.2	21.2	24.2	36.3
More than 11 months	36.4	20.3	45.6	38.7
Total	100.0	100.0	100.0	100.0
Was a GAIN registrant at end of 11 months (%)	43.4	27.2	55.7	58.1
Average number of months participating in GAIN activities during follow-up (a)	2.4	2.8	2.8	4.8
Sample size	99	147	149	124
Experimentals who started selected GAIN activities (b)				
Average number of months during follow-up participating in (a)				
Job search	--	0.9	0.9	0.7
Basic education (c)	3.2	4.5	2.4	5.1
Self-initiated activities	--	--	--	--
Post-assessment activities	--	--	--	--
In activity at end of 11 months among those starting the activity (%)				
Job search	6.3	4.8	3.0	0.0
Basic education (c)	40.0	21.1	19.4	46.2
Self-initiated activities	--	--	--	--
Post-assessment activities	--	--	--	--
Any education or training activity	44.0	21.3	22.0	49.2
Length of time participating in basic education during follow-up (a,c) (%)				
1 month or less	25.0	21.6	30.6	13.5
2-6 months	55.0	40.5	63.9	44.2
More than 6 months	20.0	37.9	5.5	42.3
Total	100.0	100.0	100.0	100.0
Average number of months participating in any education or training activity during follow-up (a)	3.3	5.0	3.4	5.3
Sample size (d)	n/a	n/a	n/a	n/a

(continued)

TABLE A.3 (continued)

SOURCE: MDRC's participant flow sample.

NOTES: Data were not available for Alameda and Los Angeles counties.
Dashes indicate that the sample size is under 20; therefore, the calculation has been omitted.
Distributions may not add to 100.0 percent because of rounding.
A test of statistical significance was not performed.
(a) "Follow-up" refers to the 11 months after orientation.
(b) The data in this panel include only those experimentals who participated in the specified activity for at least one day.
(c) GED preparation, ABE, and ESL.
(d) The sample size varies among the measures in this panel; see Table A.4.

TABLE A.4

AFDC-U EXPERIMENTAL SAMPLE SIZES FOR EACH MEASURE IN THE BOTTOM PANEL OF TABLE A.3

Sample and Measure in Table A.3	Sample Size			
	Butte	Riverside	San Diego	Tulare
Experimentals who started selected GAIN activities (a)				
Average number of months during follow-up participating in (b)				
Job search	16	62	33	20
Basic education (c)	20	37	36	52
Self-initiated activities	3	10	7	9
Post-assessment activities	2	3	10	8
In activity at end of 11 months among those starting the activity (%)				
Job search	16	62	33	20
Basic education (c)	20	37	36	52
Self-initiated activities	3	10	7	9
Post-assessment activities	2	3	10	8
Any education or training activity	25	46	49	65
Length of time participating in basic education during follow-up (b,c) (%)				
1 month or less	20	37	36	52
2-6 months	20	37	36	52
More than 6 months	20	37	36	52
Total	20	37	36	52
Average number of months participating in any education or training activity during follow-up (b)	25	46	49	65

SOURCE: MDRC's participant flow sample.

NOTES: Data were not available for Alameda and Los Angeles counties.
(a) The data include only those experimentals who participated in the specified activity for at least one day.
(b) "Follow-up" refers to the 11 months after orientation.
(c) GED preparation, ABE, and ESL.

TABLE A.5

GAIN PARTICIPATION PATTERNS WITHIN 11 MONTHS AFTER ORIENTATION
AMONG SELECTED SUBGROUPS OF AFDC-FG EXPERIMENTALS

Sample and Measure	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Registrants determined not to need basic education						
Ever participated in (%)						
Any GAIN activity	61.7	48.9	40.3	65.4	60.0	62.0 ***
Job search	49.8	32.6	24.7	45.7	38.2	43.0 ***
Basic education (a)	6.7	1.1	3.8	0.0	0.0	2.5 (b)
Self-initiated activity	5.3 (c)	15.2	13.6	23.5	22.7	17.7 ***
Post-assessment activity	32.5 (c)	7.6	4.3	1.2	14.5	15.2 ***
Any education or training activity	37.8	20.7	21.3	24.7	30.0	32.9 ***
Ever in conciliation, sanctioned, or slated for sanctioning (%)	1.9	9.8	38.6	27.2	23.6	12.7 (b)
Sample size	209	92	583	81	110	79
Registrants determined to need basic education						
Ever participated in (%)						
Any GAIN activity	63.9	37.0	53.9	57.5	51.1	60.3 ***
Job search	14.0	5.6	8.8	28.7	22.6	8.2 ***
Basic education (a)	55.5	26.9	44.8	32.3	34.3	54.8 ***
Self-initiated activity	2.0 (c)	5.6	4.5	8.4	9.5	2.1 ***
Post-assessment activity	9.2 (c)	0.9	0.4	3.0	2.9	6.2 ***
Any education or training activity	61.1	33.3	49.2	41.9	43.1	58.2 ***
Ever in conciliation, sanctioned, or slated for sanctioning (%)	2.3	10.2	33.5	37.1	19.7	11.0 (b)
Sample size	393	108	2430	167	137	146
Applicants						
Ever participated in (%)						
Any GAIN activity	--	37.4	--	59.4	60.0	36.4 ***
Job search	--	17.4	--	30.4	43.8	12.1 ***
Basic education (a)	--	11.3	--	20.3	13.8	24.2
Self-initiated activity	--	9.6	--	13.0	12.5	0.0
Post-assessment activity	--	1.7	--	1.4	7.5	6.1 (b)
Any education or training activity	--	21.7	--	34.8	30.0	27.3
Ever in conciliation, sanctioned, or slated for sanctioning (%)	--	12.2	--	46.4	32.5	24.2 (b)
Sample size	0	115	0	69	80	33

(continued)

TABLE A.5 (continued)

Sample and Measure	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Short-term recipients						
Ever participated in (%)						
Any GAIN activity	--	40.9	--	53.8	53.8	56.9
Job search	--	22.7	--	28.8	27.7	25.5
Basic education (a)	--	13.6	--	21.3	20.0	27.5
Self-initiated activity	--	9.1	--	11.3	13.8	5.9
Post-assessment activity	--	18.2	--	3.8	12.3	9.8
Any education or training activity	--	36.4	--	33.8	35.4	39.2
Ever in conciliation, sanctioned, or slated for sanctioning (%)	--	9.1	--	31.7	17.2	11.8 (b)
Sample size	0	22	0	80	65	51
Long-term recipients						
Ever participated in (%)						
Any GAIN activity	63.1	52.4	51.3	65.7	52.0	68.1 ***
Job search	26.4	17.5	11.9	41.4	19.6	20.6 ***
Basic education (a)	38.5	22.2	36.8	23.2	22.5	42.6 ***
Self-initiated activity	3.2 (c)	11.1	6.2	15.2	18.6	9.9 ***
Post-assessment activity	17.3 (c)	3.2	1.1	2.0	5.9	9.9 ***
Any education or training activity	53.0	34.9	43.8	39.4	44.1	58.2 ***
Ever in conciliation, sanctioned, or slated for sanctioning (%)	2.2	6.3	34.5	26.8	15.5	8.5 (b)
Sample size	602	63	3013	99	102	141

SOURCE: MDRC's participant flow sample.

NOTES: A chi-square test was applied to differences among counties. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Dashes indicate that the sample size is under 20; therefore, the calculation has been omitted.

(a) GED preparation, ABE, and ESL.

(b) A test of statistical significance was not applicable.

(c) Alameda registrants already in vocational education at orientation were coded as participating in vocational education instead of in self-initiated vocational education. This policy causes the post-assessment activity percentage, which includes vocational education, to be higher and the self-initiated activity percentage to be lower than if the coding had been consistent with that in the other counties.

TABLE A.6

GAIN PARTICIPATION PATTERNS WITHIN 11 MONTHS AFTER ORIENTATION
AMONG SELECTED SUBGROUPS OF AFDC-U EXPERIMENTALS

Sample and Measure	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Registrants determined not to need basic education						
Ever participated in (%)						
Any GAIN activity	--	24.2	42.9	66.7	53.8	63.6 ***
Job search	--	24.2	26.5	56.3	41.0	31.8 **
Basic education (a)	--	0.0	8.2	0.0	2.6	4.5 (b)
Self-initiated activity	--	0.0	14.3	12.5	7.7	18.2 (b)
Post-assessment activity	--	6.1	0.0	6.3	12.8	22.7 (b)
Any education or training activity	--	6.1	20.4	14.6	20.5	40.9 ***
Ever in conciliation, sanctioned, or slated for sanctioning	--	6.1	20.4	39.6	17.9	9.1
Sample size	18	33	49	48	39	22
Registrants determined to need basic education						
Ever participated in (%)						
Any GAIN activity	52.6	45.5	35.5	65.7	43.6	58.8 ***
Job search	5.1	12.1	3.5	35.4	15.5	12.7 ***
Basic education (a)	51.3	30.3	31.0	38.4	31.8	50.0 ***
Self-initiated activity	0.0 (c)	4.5	2.6	4.0	4.5	4.9 (b)
Post-assessment activity	1.3 (c)	0.0	0.1	0.0	4.5	2.9 (b)
Any education or training activity	51.3	34.8	33.6	40.4	38.2	54.9 ***
Ever in conciliation, sanctioned, or slated for sanctioning	1.3	12.1	15.1	43.4	12.7	14.7
Sample size	78	66	687	99	110	102
Applicants						
Ever participated in (%)						
Any GAIN activity	--	39.2	--	59.0	50.9	46.2
Job search	--	17.6	--	41.0	24.6	19.2 **
Basic education (a)	--	20.3	--	18.0	26.3	30.8
Self-initiated activity	--	2.7	--	4.9	5.3	7.7 (b)
Post-assessment activity	--	1.4	--	1.6	8.8	7.7 (b)
Any education or training activity	--	24.3	--	23.0	36.8	42.3
Ever in conciliation, sanctioned, or slated for sanctioning	--	6.8	--	42.6	21.1	23.1
Sample size	0	74	0	61	57	26

(continued)

TABLE A.6 (continued)

Sample and Measure	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
Short-term recipients						
Ever participated in (%)						
Any GAIN activity	--	--	--	68.9	46.8	72.1 **
Job search	--	--	--	42.6	25.5	25.6 *
Basic education (a)	--	--	--	29.5	21.3	46.5 *
Self-initiated activity	--	--	--	8.2	4.3	4.7 (b)
Post-assessment activity	--	--	--	1.6	4.3	9.3 (b)
Any education or training activity	--	--	--	36.1	29.8	58.1 **
Ever in conciliation, sanctioned, or slated for sanctioning	--	--	--	49.2	19.1	21.4
Sample size	0	11	0	61	47	42
Long-term recipients						
Ever participated in (%)						
Any GAIN activity	56.3	--	36.0	76.0	40.0	56.4 ***
Job search	14.6	--	5.0	44.0	15.6	7.3 (b)
Basic education (a)	41.7	--	29.5	36.0	24.4	43.6 **
Self-initiated activity	2.1 (c)	--	3.4	8.0	6.7	9.1 (b)
Post-assessment activity	9.4 (c)	--	0.1	4.0	6.7	3.6 (b)
Any education or training activity	51.0	--	32.7	44.0	33.3	52.7 ***
Ever in conciliation, sanctioned, or slated for sanctioning	1.0	--	15.5	24.0	0.0	3.6
Sample size	96	14	736	25	45	56

SOURCE: MDRC's participant flow sample.

NOTES: A chi-square test was applied to differences among counties. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Dashes indicate that the sample size is under 20; therefore, the calculation has been omitted.

(a) GED preparation, ABE, and ESL.

(b) A test of statistical significance was not applicable.

(c) Alameda registrants already in vocational education at orientation were coded as participating in vocational education instead of in self-initiated vocational education. This policy causes the post-assessment activity percentage, which includes vocational education, to be higher and the self-initiated activity percentage to be lower than if the coding had been consistent with that in the other counties.

APPENDIX B

SUPPLEMENTAL TABLES TO CHAPTER 2

TABLE B.1

AVERAGE IMPACTS IN SELECTED STUDIES OF STATE WELFARE-TO-WORK PROGRAMS FOR AFDC-FGs (SINGLE PARENTS)

	Average Total Earnings ($)			Average Total AFDC Payments ($)		
Program	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
California GAIN (a)	266 ***	519 ***	n/a	-283 ***	-347 ***	n/a
Alameda	209	524 *	n/a	-150	-260	n/a
Butte	272	554	n/a	-353 *	-333	n/a
Los Angeles	-4	112	n/a	-328 ***	-401 ***	n/a
Riverside	920 ***	1179 ***	n/a	-695 ***	-701 ***	n/a
San Diego	349 ***	709 ***	n/a	-302 ***	-480 ***	n/a
Tulare	-149	34	n/a	132	94	n/a
Arkansas WORK Program	167 **	223	337 **	-145 ***	-190 ***	-168 ***
Louisville WIN Lab-Individual Job Search (b)	289 **	456 **	435 **	-75 *	-164 **	-184 **
Cook County WIN Demonstration	10	n/a	n/a	-40	n/a	n/a
Louisville WIN Lab-Group Job Search (b)	464 **	n/a	n/a	-40	n/a	n/a
West Virginia CWEP	16	n/a	n/a	0	n/a	n/a
Virginia ESP	69	280 **	268 *	-69	-36	-111 **
San Diego I (EPP/EWEP)	443 ***	n/a	n/a	-226 ***	n/a	n/a
San Diego SWIM (c)	352 ***	644 ***	555 ***	-419 ***	-560 ***	-483 ***
Baltimore Options	140	401 ***	511 ***	2	-34	-31

SOURCES: Gueron and Pauly, 1991; Riccio and Friedlander, 1992; Friedlander and Hamilton, 1993.

NOTES: * Denotes statistical significance at the 10 percent level; ** at the 5 percent level; and *** at the 1 percent level.

(a) Impacts were obtained by weighting each of six counties equally.
(b) The impacts are adjusted to 1985 dollars.
(c) All SWIM data contained in this table have been taken from Friedlander and Hamilton, 1993.

TABLE B.2

ALAMEDA AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	30.1	27.3	2.8
Year 2 (quarters 6-9)	32.8	26.0	6.8 ***
Total (quarters 2-9)	42.3	35.3	7.0 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	0.75	0.68	0.07
Year 2 (quarters 6-9)	0.86	0.71	0.14 *
Total (quarters 2-9)	1.61	1.40	0.21 *
Ever employed (%)			
Quarter of random assignment	13.7	16.2	-2.5
Quarter 2	16.6	16.3	0.2
Quarter 3	18.5	17.7	0.8
Quarter 4	20.0	17.3	2.7
Quarter 5	20.1	17.1	3.0
Quarter 6	19.0	17.0	2.0
Quarter 7	20.1	18.4	1.7
Quarter 8	21.9	17.9	4.0 *
Quarter 9	24.5	18.1	6.4 ***
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	1421	1212	209
Year 2 (quarters 6-9)	2132	1609	524 *
Total (quarters 2-9)	3553	2821	733 *
Average total earnings ($)			
Quarter of random assignment	171	210	-39 *
Quarter 2	251	267	-16
Quarter 3	340	300	40
Quarter 4	414	344	70
Quarter 5	416	301	115 **
Quarter 6	457	348	109
Quarter 7	484	389	95
Quarter 8	531	432	99
Quarter 9	661	440	221 ***
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE B.2 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	97.0	98.5	-1.5 **
Year 2 (quarters 6-9)	85.4	88.0	-2.6
Total (quarters 2-9)	97.3	98.9	-1.5 **
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	10.79	10.99	-0.20
Year 2 (quarters 6-9)	9.43	9.64	-0.21
Total (quarters 2-9)	20.22	20.63	-0.41
Ever received any AFDC payments (%)			
Quarter of random assignment	99.4	99.5	-0.1
Quarter 2	97.0	98.0	-1.0
Quarter 3	94.1	94.8	-0.7
Quarter 4	89.8	91.3	-1.6
Quarter 5	86.0	89.2	-3.2 *
Quarter 6	83.3	86.8	-3.5 *
Quarter 7	82.3	83.5	-1.1
Quarter 8	78.8	79.9	-1.1
Quarter 9	76.6	77.1	-0.5
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	6916	7066	-150
Year 2 (quarters 6-9)	5816	6076	-260
Total (quarters 2-9)	12732	13142	-411
Average AFDC payments received ($)			
Quarter of random assignment	1918	1925	-7
Quarter 2	1861	1865	-4
Quarter 3	1758	1784	-26
Quarter 4	1677	1737	-60 *
Quarter 5	1620	1680	-60
Quarter 6	1552	1637	-84 **
Quarter 7	1485	1543	-58
Quarter 8	1420	1478	-57
Quarter 9	1359	1419	-60
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Sample size (total = 1,205)	602	603	

SOURCES AND NOTES: See Table 2.1. Nine quarters of follow-up data are available for Alameda.

TABLE B.3

BUTTE AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	42.3	45.6	-3.3
Year 2 (quarters 6-9)	46.2	42.2	3.9
Total (quarters 2-9)	55.3	55.7	-0.4
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.04	0.99	0.05
Year 2 (quarters 6-9)	1.25	1.10	0.16
Total (quarters 2-9)	2.29	2.09	0.20
Ever employed (%)			
Quarter of random assignment	22.5	20.4	2.1
Quarter 2	22.5	23.4	-0.9
Quarter 3	25.0	25.4	-0.4
Quarter 4	27.0	23.4	3.6
Quarter 5	29.1	26.8	2.4
Quarter 6	29.9	27.1	2.9
Quarter 7	31.4	27.7	3.7
Quarter 8	32.2	27.5	4.7
Quarter 9	31.9	27.5	4.3
Quarter 10	32.5	27.2	5.3 *
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	2001	1729	272
Year 2 (quarters 6-9)	2996	2442	554
Total (quarters 2-9)	4997	4171	826
Average total earnings ($)			
Quarter of random assignment	273	253	20
Quarter 2	386	354	32
Quarter 3	467	412	55
Quarter 4	557	455	102
Quarter 5	591	508	83
Quarter 6	661	556	105
Quarter 7	733	594	139
Quarter 8	800	654	145
Quarter 9	802	638	165
Quarter 10	860	631	230 **
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE B.3 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	89.3	90.2	-0.8
Year 2 (quarters 6-9)	65.9	66.1	-0.3
Total (quarters 2-9)	89.9	90.2	-0.3
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	8.60	8.65	-0.05
Year 2 (quarters 6-9)	6.15	6.29	-0.13
Total (quarters 2-9)	14.76	14.94	-0.18
Ever received any AFDC payments (%)			
Quarter of random assignment	89.8	90.1	-0.3
Quarter 2	88.6	89.4	-0.7
Quarter 3	79.8	76.4	3.4
Quarter 4	70.7	70.6	0.1
Quarter 5	65.0	68.4	-3.4
Quarter 6	60.8	63.8	-3.0
Quarter 7	56.2	56.7	-0.4
Quarter 8	51.9	52.7	-0.8
Quarter 9	49.4	47.7	1.7
Quarter 10	46.8	48.6	-1.8
Quarter 11	43.2	45.3	-2.2
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	5132	5486	-353 *
Year 2 (quarters 6-9)	3715	4048	-333
Total (quarters 2-9)	8848	9534	-686 *
Average AFDC payments received ($)			
Quarter of random assignment	1440	1493	-53
Quarter 2	1496	1565	-69
Quarter 3	1331	1385	-54
Quarter 4	1200	1312	-111 *
Quarter 5	1105	1224	-118 *
Quarter 6	1046	1176	-130 *
Quarter 7	945	1080	-135 **
Quarter 8	887	916	-29
Quarter 9	837	876	-39
Quarter 10	778	844	-66
Quarter 11	715	809	-94
Quarter 12	--	--	--
Sample size (total = 1229)	986	243	

SOURCES AND NOTES: See Table 2.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Butte.

TABLE B.4

LOS ANGELES AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	27.0	24.9	2.1
Year 2 (quarters 6-9)	26.9	22.7	4.1 ***
Total (quarters 2-9)	34.5	30.3	4.2 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	0.69	0.64	0.05
Year 2 (quarters 6-9)	0.75	0.67	0.09 **
Total (quarters 2-9)	1.45	1.31	0.14 *
Ever employed (%)			
Quarter of random assignment	14.6	13.0	1.6 *
Quarter 2	16.6	15.0	1.6
Quarter 3	16.7	15.6	1.1
Quarter 4	17.8	16.4	1.4
Quarter 5	18.3	17.1	1.1
Quarter 6	18.9	17.6	1.3
Quarter 7	18.6	16.9	1.7
Quarter 8	18.8	16.6	2.2 *
Quarter 9	19.0	15.7	3.3 ***
Quarter 10	19.0	16.6	2.4 *
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	1304	1308	-4
Year 2 (quarters 6-9)	1694	1582	112
Total (quarters 2-9)	2998	2890	108
Average total earnings ($)			
Quarter of random assignment	195	184	11
Quarter 2	266	254	12
Quarter 3	307	313	-7
Quarter 4	359	367	-8
Quarter 5	372	373	-1
Quarter 6	398	399	-1
Quarter 7	408	399	9
Quarter 8	441	396	45
Quarter 9	447	387	59
Quarter 10	467	418	50
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE B.4 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	97.0	97.3	-0.3
Year 2 (quarters 6-9)	83.0	86.5	-3.5 ***
Total (quarters 2-9)	97.2	97.6	-0.3
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	10.58	10.89	-0.31 ***
Year 2 (quarters 6-9)	9.14	9.55	-0.41 ***
Total (quarters 2-9)	19.72	20.44	-0.72 ***
Ever received any AFDC payments (%)			
Quarter of random assignment	96.2	96.3	-0.1
Quarter 2	95.7	95.5	0.2
Quarter 3	91.8	94.6	-2.8 ***
Quarter 4	88.9	91.6	-2.7 ***
Quarter 5	84.8	88.0	-3.2 ***
Quarter 6	81.8	85.7	-3.9 ***
Quarter 7	79.0	82.5	-3.4 ***
Quarter 8	76.8	79.5	-2.6 *
Quarter 9	74.0	76.3	-2.4 *
Quarter 10	71.5	74.1	-2.6 *
Quarter 11	69.6	71.2	-1.6
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	6875	7203	-328 ***
Year 2 (quarters 6-9)	5711	6112	-401 ***
Total (quarters 2-9)	12586	13315	-729 ***
Average AFDC payments received ($)			
Quarter of random assignment	1917	1922	-5
Quarter 2	1861	1901	-40 ***
Quarter 3	1752	1855	-103 ***
Quarter 4	1673	1765	-91 ***
Quarter 5	1588	1682	-94 ***
Quarter 6	1525	1638	-112 ***
Quarter 7	1461	1567	-107 ***
Quarter 8	1398	1498	-100 ***
Quarter 9	1327	1409	-82 ***
Quarter 10	1261	1332	-71 **
Quarter 11	1226	1289	-63 **
Quarter 12	--	--	--
Sample size (total = 4396)	2995	1401	

SOURCES AND NOTES: See Table 2.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Los Angeles.

TABLE B.5

RIVERSIDE AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	52.1	34.0	18.1 ***
Year 2 (quarters 6-9)	49.4	35.4	14.0 ***
Total (quarters 2-9)	62.7	45.9	16.7 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.34	0.84	0.51 ***
Year 2 (quarters 6-9)	1.42	0.97	0.45 ***
Total (quarters 2-9)	2.76	1.80	0.95 ***
Ever employed (%)			
Quarter of random assignment	21.6	16.7	4.9 ***
Quarter 2	31.2	19.1	12.1 ***
Quarter 3	33.4	20.4	13.0 ***
Quarter 4	34.3	22.0	12.3 ***
Quarter 5	35.3	22.1	13.3 ***
Quarter 6	35.4	22.6	12.7 ***
Quarter 7	35.5	25.3	10.2 ***
Quarter 8	35.5	24.8	10.7 ***
Quarter 9	35.2	24.0	11.2 ***
Quarter 10	34.2	24.4	9.7 ***
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	2470	1550	920 ***
Year 2 (quarters 6-9)	3414	2234	1179 ***
Total (quarters 2-9)	5883	3784	2099 ***
Average total earnings ($)			
Quarter of random assignment	230	168	62 ***
Quarter 2	458	259	198 ***
Quarter 3	603	381	222 ***
Quarter 4	671	443	228 ***
Quarter 5	738	466	271 ***
Quarter 6	808	497	311 ***
Quarter 7	845	580	264 ***
Quarter 8	875	591	284 ***
Quarter 9	886	566	321 ***
Quarter 10	896	605	291 ***
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE B.5 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	90.8	90.9	0.0
Year 2 (quarters 6-9)	59.8	65.4	-5.6 ***
Total (quarters 2-9)	91.4	91.7	-0.3
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	8.05	8.71	-0.66 ***
Year 2 (quarters 6-9)	5.69	6.41	-0.72 ***
Total (quarters 2-9)	13.74	15.12	-1.37 ***
Ever received any AFDC payments (%)			
Quarter of random assignment	93.9	94.5	-0.6
Quarter 2	89.4	89.2	0.2
Quarter 3	75.8	79.6	-3.8 ***
Quarter 4	66.1	72.6	-6.5 ***
Quarter 5	58.7	65.9	-7.2 ***
Quarter 6	54.7	61.1	-6.4 ***
Quarter 7	51.8	57.0	-5.3 ***
Quarter 8	49.1	55.1	-6.0 ***
Quarter 9	46.7	52.0	-5.3 ***
Quarter 10	45.0	50.4	-5.4 ***
Quarter 11	43.1	49.5	-6.4 ***
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	4968	5663	-695 ***
Year 2 (quarters 6-9)	3461	4162	-701 ***
Total (quarters 2-9)	8429	9825	-1397 ***
Average AFDC payments received ($)			
Quarter of random assignment	1668	1669	-1
Quarter 2	1600	1685	-85 ***
Quarter 3	1262	1443	-181 ***
Quarter 4	1106	1329	-222 ***
Quarter 5	1000	1206	-207 ***
Quarter 6	933	1133	-200 ***
Quarter 7	892	1060	-168 ***
Quarter 8	842	1009	-167 ***
Quarter 9	794	960	-166 ***
Quarter 10	758	922	-164 ***
Quarter 11	736	894	-158 ***
Quarter 12	--	--	--
Sample size (total = 5508)	4457	1051	

SOURCES AND NOTES: See Table 2.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Riverside.

TABLE B.6

SAN DIEGO AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	46.0	40.0	6.0 ***
Year 2 (quarters 6-9)	45.8	40.8	5.1 ***
Total (quarters 2-9)	56.7	51.4	5.3 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.22	1.04	0.18 ***
Year 2 (quarters 6-9)	1.32	1.12	0.20 ***
Total (quarters 2-9)	2.54	2.15	0.38 ***
Ever employed (%)			
Quarter of random assignment	24.1	23.2	0.9
Quarter 2	26.3	23.3	3.0 **
Quarter 3	30.0	25.9	4.2 ***
Quarter 4	32.2	27.0	5.2 ***
Quarter 5	33.1	27.6	5.5 ***
Quarter 6	33.3	28.6	4.8 ***
Quarter 7	33.2	28.4	4.8 ***
Quarter 8	33.0	28.2	4.7 ***
Quarter 9	32.5	26.4	6.0 ***
Quarter 10	32.5	26.8	5.7 ***
Quarter 11	31.9	28.1	3.8 ***
Quarter 12	31.3	26.9	4.4 ***
Average total earnings ($)			
Year 1 (quarters 2-5)	2462	2113	349 **
Year 2 (quarters 6-9)	3503	2794	709 ***
Total (quarters 2-9)	5965	4906	1058 ***
Average total earnings ($)			
Quarter of random assignment	272	231	41 **
Quarter 2	432	349	83 ***
Quarter 3	582	494	88 **
Quarter 4	693	593	101 **
Quarter 5	755	676	78 *
Quarter 6	836	691	145 ***
Quarter 7	869	685	183 ***
Quarter 8	888	699	189 ***
Quarter 9	910	718	192 ***
Quarter 10	942	743	199 ***
Quarter 11	942	743	200 ***
Quarter 12	958	770	189 ***

(continued)

TABLE B.6 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	94.8	95.3	-0.5
Year 2 (quarters 6-9)	68.2	71.5	-3.2 **
Total (quarters 2-9)	95.4	95.8	-0.5
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	9.11	9.48	-0.37 ***
Year 2 (quarters 6-9)	6.84	7.44	-0.60 ***
Total (quarters 2-9)	15.95	16.93	-0.97 ***
Ever received any AFDC payments (%)			
Quarter of random assignment	98.4	98.4	0.0
Quarter 2	94.1	94.7	-0.6
Quarter 3	83.3	85.6	-2.2 *
Quarter 4	74.8	77.9	-3.0 **
Quarter 5	69.1	72.1	-3.1 **
Quarter 6	63.9	67.5	-3.6 **
Quarter 7	60.3	65.7	-5.3 ***
Quarter 8	58.3	63.7	-5.4 ***
Quarter 9	56.0	61.1	-5.1 ***
Quarter 10	53.8	58.0	-4.2 ***
Quarter 11	52.2	55.6	-3.4 **
Quarter 12	50.4	53.9	-3.5 **
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	5529	5832	-302 ***
Year 2 (quarters 6-9)	4199	4679	-480 ***
Total (quarters 2-9)	9728	10511	-783 ***
Average AFDC payments received ($)			
Quarter of random assignment	1584	1600	-16
Quarter 2	1606	1652	-46 **
Quarter 3	1416	1490	-74 ***
Quarter 4	1300	1396	-97 ***
Quarter 5	1207	1293	-86 ***
Quarter 6	1126	1226	-100 ***
Quarter 7	1063	1186	-124 ***
Quarter 8	1025	1154	-128 ***
Quarter 9	985	1113	-128 ***
Quarter 10	946	1051	-105 ***
Quarter 11	909	1005	-96 ***
Quarter 12	869	956	-86 ***
Sample size (total = 8219)	7049	1170	

SOURCES AND NOTES: See Table 2.1. Twelve quarters of follow-up data are available for San Diego.

TABLE B.7

TULARE AFDC-FGs: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	39.9	40.9	-1.0
Year 2 (quarters 6-9)	41.8	42.2	-0.4
Total (quarters 2-9)	51.7	51.2	0.5
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.00	1.04	-0.04
Year 2 (quarters 6-9)	1.14	1.13	0.02
Total (quarters 2-9)	2.15	2.17	-0.02
Ever employed (%)			
Quarter of random assignment	19.6	21.7	-2.0
Quarter 2	22.8	23.6	-0.8
Quarter 3	24.8	25.8	-1.0
Quarter 4	25.7	27.5	-1.8
Quarter 5	27.0	27.0	-0.1
Quarter 6	29.2	28.0	1.2
Quarter 7	28.4	30.4	-2.1
Quarter 8	28.5	29.1	-0.6
Quarter 9	28.4	25.3	3.1
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	1792	1941	-149
Year 2 (quarters 6-9)	2532	2498	34
Total (quarters 2-9)	4324	4439	-115
Average total earnings ($)			
Quarter of random assignment	220	240	-20
Quarter 2	327	329	-2
Quarter 3	435	431	4
Quarter 4	512	575	-63
Quarter 5	519	606	-88
Quarter 6	619	623	-3
Quarter 7	632	623	9
Quarter 8	629	655	-26
Quarter 9	652	598	54
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE B.7 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	95.5	94.5	1.1
Year 2 (quarters 6-9)	75.7	75.0	0.7
Total (quarters 2-9)	95.7	94.7	1.1
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	9.72	9.59	0.13
Year 2 (quarters 6-9)	7.84	7.70	0.14
Total (quarters 2-9)	17.56	17.29	0.27
Ever received any AFDC payments (%)			
Quarter of random assignment	96.4	95.3	1.2
Quarter 2	94.3	93.6	0.6
Quarter 3	87.0	86.7	0.3
Quarter 4	81.0	81.0	0.0
Quarter 5	76.7	75.0	1.7
Quarter 6	72.3	71.6	0.7
Quarter 7	68.5	68.7	-0.2
Quarter 8	66.2	64.4	1.8
Quarter 9	65.4	62.2	3.1
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	6363	6231	132
Year 2 (quarters 6-9)	5120	5027	94
Total (quarters 2-9)	11484	11258	226
Average AFDC payments received ($)			
Quarter of random assignment	1669	1674	-5
Quarter 2	1757	1726	31
Quarter 3	1639	1608	32
Quarter 4	1521	1505	15
Quarter 5	1446	1392	53
Quarter 6	1369	1323	45
Quarter 7	1291	1298	-7
Quarter 8	1249	1215	34
Quarter 9	1211	1190	21
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Sample size (total = 2234)	1588	646	

SOURCES AND NOTES: See Table 2.1. Nine quarters of follow-up data are available for Tulare.

APPENDIX C

SUPPLEMENTAL TABLES TO CHAPTER 3

TABLE C.1

ALAMEDA AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	29.8	20.2	9.6 *
Year 2 (quarters 6-9)	27.6	20.4	7.2
Total (quarters 2-9)	37.3	23.5	13.8 **
Average number of quarters with employment			
Year 1 (quarters 2-5)	0.84	0.63	0.20
Year 2 (quarters 6-9)	0.83	0.69	0.15
Total (quarters 2-9)	1.67	1.32	0.35
Ever employed (%)			
Quarter of random assignment	16.6	14.1	2.5
Quarter 2	17.9	14.9	3.0
Quarter 3	20.2	15.8	4.4
Quarter 4	24.0	16.2	7.8 *
Quarter 5	21.6	16.6	5.0
Quarter 6	20.5	19.0	1.4
Quarter 7	22.2	18.2	4.0
Quarter 8	21.3	14.6	6.8
Quarter 9	19.4	16.7	2.7
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	1115	1061	54
Year 2 (quarters 6-9)	1332	1133	200
Total (quarters 2-9)	2447	2193	254
Average total earnings ($)			
Quarter of random assignment	170	200	-31
Quarter 2	227	205	22
Quarter 3	239	260	-21
Quarter 4	295	279	16
Quarter 5	353	317	36
Quarter 6	249	272	-23
Quarter 7	378	325	53
Quarter 8	373	279	94
Quarter 9	333	257	76
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE C.1 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	99.8	96.8	3.0 *
Year 2 (quarters 6-9)	94.7	90.8	4.0
Total (quarters 2-9)	99.8	96.8	3.0 *
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	11.41	11.11	0.30
Year 2 (quarters 6-9)	10.77	10.33	0.44
Total (quarters 2-9)	22.18	21.45	0.74
Ever received any AFDC payments (%)			
Quarter of random assignment	99.5	99.5	0.0
Quarter 2	99.8	96.8	3.0 *
Quarter 3	94.8	91.8	3.0
Quarter 4	95.0	92.8	2.2
Quarter 5	94.6	93.3	1.3
Quarter 6	93.9	89.4	4.4
Quarter 7	94.6	87.4	7.2 *
Quarter 8	89.1	85.4	3.7
Quarter 9	86.2	85.2	1.0
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	10066	9905	161
Year 2 (quarters 6-9)	9069	8889	180
Total (quarters 2-9)	19135	18794	341
Average AFDC payments received ($)			
Quarter of random assignment	2686	2718	-32
Quarter 2	2655	2511	145 *
Quarter 3	2528	2487	40
Quarter 4	2480	2488	-8
Quarter 5	2403	2419	-16
Quarter 6	2381	2286	95
Quarter 7	2333	2251	82
Quarter 8	2209	2193	16
Quarter 9	2146	2159	-13
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Sample size (total = 182)	96	86	

SOURCES AND NOTES: See Table 3.1. Nine quarters of follow-up data are available for Alameda.

TABLE C.2

BUTTE AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	51.4	44.1	7.3 **
Year 2 (quarters 6-9)	50.3	45.5	4.8
Total (quarters 2-9)	61.1	58.3	2.8
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.30	1.08	0.22 **
Year 2 (quarters 6-9)	1.37	1.11	0.26 **
Total (quarters 2-9)	2.67	2.19	0.48 ***
Ever employed (%)			
Quarter of random assignment	25.0	18.7	6.3 **
Quarter 2	30.2	25.8	4.4
Quarter 3	33.2	27.9	5.3
Quarter 4	33.0	28.2	4.8
Quarter 5	33.8	25.8	8.0 **
Quarter 6	34.2	27.4	6.8 **
Quarter 7	33.5	28.3	5.2
Quarter 8	34.4	26.5	7.9 **
Quarter 9	34.9	29.3	5.6 *
Quarter 10	34.6	27.5	7.1 **
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	3026	2393	633 *
Year 2 (quarters 6-9)	4018	2773	1244 ***
Total (quarters 2-9)	7044	5166	1877 **
Average total earnings ($)			
Quarter of random assignment	269	234	35
Quarter 2	618	436	182 *
Quarter 3	730	625	105
Quarter 4	833	681	152
Quarter 5	845	651	194
Quarter 6	903	660	243 *
Quarter 7	1030	723	307 **
Quarter 8	1033	694	339 **
Quarter 9	1052	696	355 **
Quarter 10	1131	836	295 *
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE C.2 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	88.5	86.2	2.3
Year 2 (quarters 6-9)	66.1	68.3	-2.2
Total (quarters 2-9)	88.7	86.3	2.4
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	8.34	8.44	-0.09
Year 2 (quarters 6-9)	6.43	6.78	-0.35
Total (quarters 2-9)	14.77	15.21	-0.44
Ever received any AFDC payments (%)			
Quarter of random assignment	88.7	88.6	0.0
Quarter 2	87.6	85.3	2.3
Quarter 3	77.0	75.8	1.2
Quarter 4	68.8	70.5	-1.7
Quarter 5	63.7	67.0	-3.3
Quarter 6	60.8	64.4	-3.6
Quarter 7	57.8	60.4	-2.7
Quarter 8	54.9	57.8	-2.8
Quarter 9	52.8	57.6	-4.7
Quarter 10	52.8	55.8	-3.0
Quarter 11	51.7	54.7	-3.0
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	6523	6749	-226
Year 2 (quarters 6-9)	5246	5775	-529
Total (quarters 2-9)	11769	12524	-755
Average AFDC payments received ($)			
Quarter of random assignment	1726	1795	-69
Quarter 2	1853	1878	-25
Quarter 3	1688	1706	-18
Quarter 4	1528	1616	-89
Quarter 5	1453	1548	-95
Quarter 6	1400	1527	-127
Quarter 7	1336	1483	-147
Quarter 8	1276	1411	-135
Quarter 9	1235	1354	-119
Quarter 10	1200	1285	-85
Quarter 11	1180	1303	-123
Quarter 12	--	--	--
Sample size (total = 1006)	780	226	

SOURCES AND NOTES: See Table 3.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Butte.

TABLE C.3

LOS ANGELES AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	41.2	29.4	11.8 ***
Year 2 (quarters 6-9)	39.0	29.3	9.7 ***
Total (quarters 2-9)	47.8	34.7	13.1 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.24	0.91	0.33 ***
Year 2 (quarters 6-9)	1.23	0.91	0.32 ***
Total (quarters 2-9)	2.47	1.82	0.65 ***
Ever employed (%)			
Quarter of random assignment	25.1	23.5	1.6
Quarter 2	29.7	21.9	7.8 ***
Quarter 3	30.5	22.8	7.8 ***
Quarter 4	31.7	22.6	9.1 ***
Quarter 5	31.9	23.3	8.7 ***
Quarter 6	32.0	22.4	9.6 ***
Quarter 7	30.6	23.0	7.6 ***
Quarter 8	30.7	23.8	6.9 ***
Quarter 9	30.0	22.2	7.9 ***
Quarter 10	28.1	21.4	6.7 ***
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	1480	1221	259 **
Year 2 (quarters 6-9)	1785	1465	320 *
Total (quarters 2-9)	3266	2687	579 **
Average total earnings ($)			
Quarter of random assignment	242	234	8
Quarter 2	338	261	77 **
Quarter 3	366	312	54
Quarter 4	383	305	78 **
Quarter 5	393	343	50
Quarter 6	459	366	92 *
Quarter 7	442	364	78
Quarter 8	456	372	83
Quarter 9	429	363	66
Quarter 10	394	363	31
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE C.3 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	97.1	97.8	-0.7
Year 2 (quarters 6-9)	90.9	90.7	0.2
Total (quarters 2-9)	97.2	98.0	-0.7
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	11.19	11.26	-0.07
Year 2 (quarters 6-9)	10.43	10.40	0.04
Total (quarters 2-9)	21.62	21.66	-0.04
Ever received any AFDC payments (%)			
Quarter of random assignment	97.5	97.5	0.0
Quarter 2	96.7	97.4	-0.6
Quarter 3	95.2	95.5	-0.3
Quarter 4	93.7	93.6	0.1
Quarter 5	91.1	92.3	-1.1
Quarter 6	90.1	89.9	0.1
Quarter 7	88.6	88.4	0.2
Quarter 8	87.7	86.5	1.2
Quarter 9	85.5	85.3	0.1
Quarter 10	83.3	84.1	-0.8
Quarter 11	82.2	81.3	1.0
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	9442	9871	-429 ***
Year 2 (quarters 6-9)	8333	8826	-493 ***
Total (quarters 2-9)	17775	18697	-922 ***
Average AFDC payments received ($)			
Quarter of random assignment	2558	2565	-7
Quarter 2	2503	2552	-49 ***
Quarter 3	2406	2506	-100 ***
Quarter 4	2327	2451	-124 ***
Quarter 5	2206	2361	-155 ***
Quarter 6	2171	2299	-128 ***
Quarter 7	2119	2251	-133 ***
Quarter 8	2066	2177	-111 **
Quarter 9	1978	2099	-121 ***
Quarter 10	1915	2045	-130 ***
Quarter 11	1900	1971	-71
Quarter 12	--	--	--
Sample size (total = 1458)	735	723	

SOURCES AND NOTES: See Table 3.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Los Angeles.

TABLE C.4

RIVERSIDE AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	57.2	48.6	8.6 ***
Year 2 (quarters 6-9)	51.2	44.6	6.6 ***
Total (quarters 2-9)	65.4	57.0	8.4 ***
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.51	1.24	0.27 ***
Year 2 (quarters 6-9)	1.42	1.23	0.19 ***
Total (quarters 2-9)	2.93	2.47	0.46 ***
Ever employed (%)			
Quarter of random assignment	28.9	23.0	5.9 ***
Quarter 2	37.5	27.4	10.2 ***
Quarter 3	38.8	31.7	7.1 ***
Quarter 4	39.3	33.8	5.5 ***
Quarter 5	35.7	31.2	4.4 **
Quarter 6	37.7	31.1	6.6 ***
Quarter 7	36.0	31.1	4.9 **
Quarter 8	34.7	30.9	3.7 *
Quarter 9	33.2	29.4	3.7 *
Quarter 10	32.7	28.4	4.3 **
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	3691	2930	761 ***
Year 2 (quarters 6-9)	4039	3626	413
Total (quarters 2-9)	7730	6556	1174 **
Average total earnings ($)			
Quarter of random assignment	326	223	104 ***
Quarter 2	725	492	232 ***
Quarter 3	970	690	280 ***
Quarter 4	1016	867	149 *
Quarter 5	981	881	100
Quarter 6	1051	928	123
Quarter 7	1029	929	100
Quarter 8	1012	916	96
Quarter 9	947	853	94
Quarter 10	981	831	150 *
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE C.4 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	84.1	86.8	-2.8 *
Year 2 (quarters 6-9)	59.5	62.3	-2.8
Total (quarters 2-9)	87.2	90.0	-2.8 *
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	6.48	7.38	-0.90 ***
Year 2 (quarters 6-9)	5.21	5.70	-0.49 **
Total (quarters 2-9)	11.69	13.07	-1.38 ***
Ever received any AFDC payments (%)			
Quarter of random assignment	88.2	88.3	-0.1
Quarter 2	78.8	84.3	-5.5 ***
Quarter 3	59.3	68.6	-9.3 ***
Quarter 4	55.7	60.5	-4.7 **
Quarter 5	51.1	56.9	-5.8 ***
Quarter 6	48.4	54.3	-5.8 ***
Quarter 7	48.2	50.9	-2.7
Quarter 8	47.4	49.6	-2.3
Quarter 9	46.9	49.5	-2.6
Quarter 10	45.9	48.3	-2.4
Quarter 11	44.7	44.9	-0.2
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	4845	5810	-965 ***
Year 2 (quarters 6-9)	3895	4643	-749 ***
Total (quarters 2-9)	8739	10453	-1714 ***
Average AFDC payments received ($)			
Quarter of random assignment	1681	1735	-54
Quarter 2	1539	1767	-228 ***
Quarter 3	1171	1465	-294 ***
Quarter 4	1102	1329	-227 ***
Quarter 5	1032	1248	-216 ***
Quarter 6	995	1234	-239 ***
Quarter 7	992	1171	-179 ***
Quarter 8	951	1136	-186 ***
Quarter 9	957	1102	-145 ***
Quarter 10	956	1072	-117 **
Quarter 11	916	1035	-119 **
Quarter 12	--	--	--
Sample size (total = 2323)	1590	733	

SOURCES AND NOTES: See Table 3.1. Ten quarters of employment and earnings follow-up data and 11 quarters of AFDC data are available for Riverside.

TABLE C.5

SAN DIEGO AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	53.9	50.1	3.8 **
Year 2 (quarters 6-9)	50.0	45.8	4.2 **
Total (quarters 2-9)	62.7	59.1	3.7 **
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.49	1.38	0.10
Year 2 (quarters 6-9)	1.48	1.34	0.14 **
Total (quarters 2-9)	2.96	2.72	0.24 **
Ever employed (%)			
Quarter of random assignment	32.9	33.4	-0.5
Quarter 2	35.2	33.5	1.7
Quarter 3	37.8	35.7	2.1
Quarter 4	38.1	34.6	3.5 *
Quarter 5	37.5	34.6	2.8
Quarter 6	37.9	34.3	3.6 *
Quarter 7	37.5	33.8	3.6 *
Quarter 8	36.7	32.8	4.0 **
Quarter 9	35.7	33.0	2.7
Quarter 10	34.9	33.6	1.3
Quarter 11	34.1	33.5	0.7
Quarter 12	33.9	33.9	0.0
Average total earnings ($)			
Year 1 (quarters 2-5)	3331	3089	242
Year 2 (quarters 6-9)	4128	3978	150
Total (quarters 2-9)	7459	7067	392
Average total earnings ($)			
Quarter of random assignment	377	399	-22
Quarter 2	624	560	64
Quarter 3	829	752	78
Quarter 4	914	879	35
Quarter 5	964	899	65
Quarter 6	1034	966	68
Quarter 7	1034	985	49
Quarter 8	1028	1000	29
Quarter 9	1031	1027	5
Quarter 10	1036	1077	-41
Quarter 11	1026	1123	-98
Quarter 12	1050	1119	-68

(continued)

TABLE C.5 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	94.9	94.0	1.0
Year 2 (quarters 6-9)	71.4	74.4	-3.0 *
Total (quarters 2-9)	95.7	94.5	1.2
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	8.97	9.40	-0.44 ***
Year 2 (quarters 6-9)	7.29	7.80	-0.51 **
Total (quarters 2-9)	16.26	17.21	-0.95 ***
Ever received any AFDC payments (%)			
Quarter of random assignment	98.0	98.3	-0.3
Quarter 2	93.7	92.9	0.8
Quarter 3	81.1	83.6	-2.5
Quarter 4	73.6	79.0	-5.4 ***
Quarter 5	69.4	74.6	-5.2 ***
Quarter 6	65.2	71.0	-5.7 ***
Quarter 7	63.7	68.4	-4.7 **
Quarter 8	63.3	65.9	-2.5
Quarter 9	61.8	64.0	-2.2
Quarter 10	60.7	61.3	-0.6
Quarter 11	59.8	58.7	1.0
Quarter 12	58.6	58.0	0.6
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	6790	7301	-510 ***
Year 2 (quarters 6-9)	5565	6197	-632 ***
Total (quarters 2-9)	12356	13498	-1142 ***
Average AFDC payments received ($)			
Quarter of random assignment	1871	1892	-21
Quarter 2	1936	1990	-54 *
Quarter 3	1720	1862	-142 ***
Quarter 4	1614	1755	-141 ***
Quarter 5	1520	1694	-174 ***
Quarter 6	1435	1631	-196 ***
Quarter 7	1395	1574	-180 ***
Quarter 8	1381	1517	-137 ***
Quarter 9	1354	1474	-120 **
Quarter 10	1339	1419	-80 *
Quarter 11	1304	1350	-47
Quarter 12	1277	1299	-22
Sample size (total = 3272)	2427	845	

SOURCES AND NOTES: See Table 3.1. Twelve quarters of follow-up data are available for San Diego.

TABLE C.6

TULARE AFDC-Us: IMPACTS ON EMPLOYMENT, EARNINGS, AFDC RECEIPT, AND AFDC PAYMENTS

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever employed (%)			
Year 1 (quarters 2-5)	52.5	51.2	1.3
Year 2 (quarters 6-9)	50.2	48.9	1.3
Total (quarters 2-9)	61.5	59.2	2.3
Average number of quarters with employment			
Year 1 (quarters 2-5)	1.38	1.38	0.00
Year 2 (quarters 6-9)	1.41	1.39	0.01
Total (quarters 2-9)	2.79	2.78	0.01
Ever employed (%)			
Quarter of random assignment	30.3	31.8	-1.5
Quarter 2	32.2	31.6	0.6
Quarter 3	36.4	35.1	1.2
Quarter 4	34.7	36.9	-2.2
Quarter 5	34.6	34.6	0.0
Quarter 6	36.1	37.5	-1.4
Quarter 7	37.6	37.5	0.1
Quarter 8	34.8	33.6	1.2
Quarter 9	32.2	30.7	1.5
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total earnings ($)			
Year 1 (quarters 2-5)	2987	2961	26
Year 2 (quarters 6-9)	3723	3998	-275
Total (quarters 2-9)	6709	6959	-249
Average total earnings ($)			
Quarter of random assignment	345	373	-28
Quarter 2	561	639	-78
Quarter 3	786	767	19
Quarter 4	823	776	47
Quarter 5	817	779	38
Quarter 6	910	980	-70
Quarter 7	999	1033	-34
Quarter 8	955	1027	-72
Quarter 9	858	958	-100
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--

(continued)

TABLE C.6 (continued)

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever received any AFDC payments (%)			
Year 1 (quarters 2-5)	94.3	92.6	1.7
Year 2 (quarters 6-9)	76.5	75.7	0.8
Total (quarters 2-9)	94.8	93.7	1.2
Average number of months receiving AFDC payments			
Year 1 (quarters 2-5)	9.33	9.14	0.20
Year 2 (quarters 6-9)	7.81	7.61	0.20
Total (quarters 2-9)	17.14	16.74	0.40
Ever received any AFDC payments (%)			
Quarter of random assignment	94.8	95.7	-0.9
Quarter 2	92.8	90.9	1.8
Quarter 3	84.4	80.2	4.2 **
Quarter 4	77.8	76.0	1.8
Quarter 5	74.6	74.5	0.2
Quarter 6	70.6	69.8	0.8
Quarter 7	68.3	66.8	1.5
Quarter 8	66.6	65.0	1.6
Quarter 9	66.4	65.3	1.1
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Average total AFDC payments received ($)			
Year 1 (quarters 2-5)	7545	7523	23
Year 2 (quarters 6-9)	6316	6261	54
Total (quarters 2-9)	13861	13784	77
Average AFDC payments received ($)			
Quarter of random assignment	1916	1997	-81 ***
Quarter 2	2059	2054	5
Quarter 3	1927	1898	29
Quarter 4	1805	1813	-8
Quarter 5	1754	1757	-3
Quarter 6	1657	1638	19
Quarter 7	1586	1563	23
Quarter 8	1542	1540	2
Quarter 9	1530	1520	10
Quarter 10	--	--	--
Quarter 11	--	--	--
Quarter 12	--	--	--
Sample size (total = 1901)	1319	582	

SOURCES AND NOTES: See Table 3.1. Nine quarters of follow-up data are available for Tulare.

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Manpower Demonstration Research Corporation

Three Park Avenue
New York, New York 10016
(212) 532-3200

88 Kearny Street, Suite 1650
San Francisco, California 94108
(415) 781-3800

MDRC